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October 24, 2014

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Nevada Power Company
Docket No. ER15-___-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act,¹ Part 35 of the regulations of the Federal Energy Regulatory Commission (the "Commission"),² Nevada Power Company ("Nevada Power" or "NPC") submits to the Commission this request to move the location of the Open Access Transmission Tariff ("OATT" or "Tariff") assigned to NV Energy, Inc. ("NV Energy, Inc. OATT") from the NV Energy, Inc. eTariff database to a newly-created NPC eTariff database. Additionally, NPC requests to relocate certain jurisdictional agreements currently located in the NV Energy, Inc. eTariff database. This request is purely administrative and affects only the organization of the Tariffs in eTariff. It does not affect the content (rates or non-rates terms and conditions) of any governing Tariff.

This request is part of a series of filings made today with the Commission, the goal of which is to relocate the NV Energy, Inc. OATT to the NPC eTariff database and terminate the NV Energy, Inc. eTariff database.³ Sierra Pacific Power Company ("Sierra Pacific" or "SPPC") has filed a concurrence demonstrating its intent to be governed by the Tariff that is relocated to

¹ 16 U.S.C. § 824d (2000).

² 18 C.F.R. Part 35 (2010).

³ The following seven filings are being made today: (1) NPC request to move the location of the NV Energy, Inc. OATT and related service agreements to the newly created NPC OATT eTariff database; (2) NPC request to cancel its concurrence with the NV Energy, Inc. OATT; (3) SPPC request to cancel its concurrence with the NV Energy, Inc. OATT; (4) SPPC concurrence with the NPC OATT and relocation of related service agreements to the newly created SPPC OATT eTariff database; (5) NV Energy, Inc. request to terminate its eTariff database and Company Identifier; (6) NPC request to cancel Rate Schedule No. 122 in order to re-file the rate schedule with the correct collation value; and (7) NPC request to re-file Rate Schedule No. 122 to correct the collation value.

the NPC eTariff database. As a result of this Tariff relocation, NV Energy, Inc. is requesting to terminate its Company Identifier and eTariff database.

I. Background

Nevada Power and Sierra Pacific (referred to collectively herein as “NV Energy”) are direct, wholly owned subsidiaries of NV Energy, Inc. Nevada Power and Sierra Pacific are regulated public utilities that provide retail and wholesale transmission service throughout Nevada. NV Energy, Inc. is a holding company and does not own, control, or operate facilities used for generating or transmitting electric energy in interstate commerce. In December 2013, the Commission approved a corporate transaction whereby NV Energy, Inc. became a wholly owned subsidiary of Berkshire Hathaway Energy Company.⁴

The transmission service offered by Nevada Power and Sierra Pacific is governed by a combined OATT. In the 1999 proceeding in which the Commission approved the business combination that established NPC and SPPC as wholly owned subsidiaries of NV Energy, Inc., it also approved the utilities’ usage of a combined OATT.⁵ In 2010, the Commission required public utilities to electronically file their OATTs in compliance with Order No. 714.⁶ As part of implementing Order No. 714, the Commission required public utilities to establish an identification number known as a Company Identifier in order to file their OATTs electronically. NV Energy created three Company Identifiers: C001610 for Nevada Power, C001609 for Sierra Pacific, and C001612 for NV Energy, Inc.

On September 29, 2010, in Docket No. ER10-3151, NV Energy, Inc. electronically filed for the first time its baseline OATT in compliance with Order No. 714. In its transmittal letter, NV Energy, Inc. was clear that it was filing the Tariff on behalf of its utility subsidiaries, stating, “NV Energy, Inc., on behalf of its two operating companies Sierra Pacific Power Company (“Sierra”) and Nevada Power Company (“Nevada Power”), hereby submits a baseline electronic tariff filing of its FERC Electric Tariff, Volume No. 1 – Open Access Transmission Tariff (“OATT”).” In approving NV Energy, Inc.’s baseline Tariff filing, the Commission presumably understood that the Tariff was filed for the utility subsidiaries, stating, “NV Energy, Inc. (NV Energy), on behalf of its two operating companies, Sierra Pacific Power Company and Nevada Power Company, submitted a baseline filing of its FERC Electric Tariff, Volume No. 1, Open Access Transmission Tariff (OATT).”⁷ Nevada Power and Sierra Pacific submitted their baseline Tariff filings in compliance with Order No. 714 by filing concurrences with the NV Energy, Inc. OATT.⁸

⁴ *Silver Merger Sub, Inc., et al.*, 145 FERC ¶ 61,261 (2013).

⁵ *Sierra Pacific Power Company and Nevada Power Company*, 87 FERC ¶ 61,077 (1999).

⁶ *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008) (“Order No. 714”).

⁷ Letter Order approving Baseline Electronic Filing of Open Access Transmission Tariff, issued October 27, 2010 in Docket No. ER10-3151.

⁸ These filings were made on September 30, 2010 in Docket Nos. ER10-3289 (for Nevada Power) and ER10-3295 (for Sierra Pacific).

In 2010, the eTariff concept was a new concept to NV Energy. NV Energy's process in filing its OATT in the NV Energy, Inc. eTariff database was for administrative ease, given that Nevada Power and Sierra Pacific operated under a combined OATT. NV Energy envisioned that the NV Energy, Inc. eTariff database would serve as a repository for the OATT shared by Nevada Power and Sierra Pacific⁹. NV Energy had no intent to attach any legal significance to NV Energy, Inc.'s status, or lack thereof, as an electric utility.

Since the initial baseline Tariff filing in 2010, the OATT for the operating utilities has been amended by submitting Tariff changes to the OATT existing in the NV Energy, Inc. database. For example, on March 2, 2011, OATT changes were proposed in compliance with Order No. 729. While the proposed Tariff changes were filed by using the NV Energy, Inc. Company Identifier, the transmittal letter was clear that the Tariff changes were proposed by Nevada Power and Sierra Pacific: "Sierra Pacific Power Company and Nevada Power Company, both d/b/a NV Energy (collectively, "NV Energy" or the "NV Energy Inc. Operating Companies"), hereby submit a revised Attachment C of the NV Energy Inc., Operating Companies' Open Access Transmission Tariff ("OATT") in compliance with Order No. 729."

In November 2012, the Commission issued Order No. 770, which amended its process for requiring public utilities to file electronic quarterly reports ("EQRs").¹⁰ In Order No. 770, the Commission adopted the proposal to replace the existing system for identifying EQR sellers (the PIN system) with the Company Registration System used for eTariff filings.¹¹ As a result, NV Energy, Inc. is now identified as an entity required to file an EQR, even though it does not meet the statutory requirements for those entities required to file an EQR under 18 CFR § 35.10b.

Therefore, as a result of Order No. 770 and the added legal significance to a Company Identifier, it is no longer feasible for NV Energy to utilize the NV Energy, Inc. Company Identifier and eTariff database as a filing mechanism and Tariff repository. NV Energy has been working with Commission staff and believes that the changes proposed to the organization of the NV Energy, Inc. OATT described in the series of filings made today will resolve the complications with Order No. 770, as well as improve transparency and clarity.

II. Description of Tariff Relocation

In the instant filing, NPC is submitting its Tariff, which is being relocated from the NV Energy, Inc. eTariff database to the newly-created NPC eTariff database. The content of the Tariff is identical to the content of the Tariff currently approved and on file with the Commission for NV Energy, Inc.¹² Currently, NPC operates under the NV Energy, Inc. OATT through the

⁹ With regard to individual contracts and agreements beyond the *pro forma* OATT, the NV Energy, Inc. eTariff database contains those service agreements for NPC and SPPC. NV Energy addresses the migration of these service agreements to the appropriate utility in Section IV below.

¹⁰ *Revisions to Electronic Quarterly Report Filing Process*, 141 FERC ¶ 61,120 (2012).

¹¹ *Id.* at P 33.

¹² At the direction of Commission Staff, the rates reflected in the tariff records in this filing are those rates contained in the Settlement Agreement filed on September 19, 2014 in Docket No. ER13-1605-000. While those settlement rates have not been accepted by the Commission, they are currently being charged pursuant to an order of the Chief

concurrence described above. Therefore, this filing will not change the content of the Tariff that governs NPC.

III. Pending Tariff Sections

Currently pending before the Commission are proposed revisions to Attachment K to comply with Order No. 1000 in Docket Nos. ER13-105 and ER13-1466, proposed revisions to Attachment N and Attachment O to comply with Order No. 792 in Docket Nos. ER14-2658 and ER14-2659, and proposed revisions to Schedule Nos. 5 and 6 to comply with Order No. 789 in Docket No. ER14-2979. Upon Commission action in these dockets, NPC and/or SPPC will make any necessary compliance filings to reflect the Commission's orders.

IV. Description of Relocation of FERC Jurisdictional Agreements

As mentioned above, certain jurisdictional agreements to which NPC is a party were filed in the NV Energy, Inc. eTariff database which contained all agreements related to the OATT for NPC and SPPC. NPC has relocated those agreements where NPC is a party from the NV Energy, Inc. eTariff database to the newly-created NPC eTariff database. This action does not change the terms of the agreements; rather, it simply moves the agreements to the corresponding database that will house all OATT-related service agreements for NPC. In the future, NPC will file all OATT-related agreements to which NPC is a party in the NPC eTariff database.

V. Communications and Service

Communications regarding this filing should be addressed to the following individuals, who should be entered on the official service lists maintained by the Secretary of the Commission for each docket established with respect to any of the documents included in this filing:

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Pursuant to 18 C.F.R. § 385.2010(f)(i) of the Commission's regulations, a copy of this filing is being served by electronic means on all customers taking service under the NV Energy, Inc. OATT, as well as the Public Utilities Commission of Nevada. Specifically, on the date of this filing, Applicants will send an e-mail that notifies OATT transmission customers and the state commissions that this filing is available from the NPC OASIS website at www.oatioasis.com/NEVP.

Judge granting NV Energy's motion for interim rate relief in that case. *See NV Energy, Inc.*, 148 FERC ¶ 63,017 (2014) (the "Interim Rates Order"). In the Interim Rates Order, the Chief Judge clarified that, "[i]n the event the Commission does not approve the settlement, NV Energy has the right to reinstate its as-filed rates and surcharge or direct bill its customers retroactive to September 1, 2014, the difference between the settlement rates and the subject to refund rates currently in effect." *Id.* at P 4.

VI. Designated Filer

Order No. 714 directs that in situations where multiple utilities are parties to the same Tariff, the joint Tariff may be filed by a single designated utility and any non-designated utilities must submit a certificate of concurrence and a single Tariff page containing the name of the Tariff and the utility designated to file the joint Tariff on behalf of the other utilities.¹³ Accordingly, through this filing Nevada Power communicates its intent to serve as the designated filer, consistent with Order No. 714.

VII. Effective Date and Waivers

Nevada Power respectfully requests that the Commission grant any and all waivers necessary to accept this filing and the Tariff relocation proposed herein. Nevada Power requests the described changes herein become effective on November 1, 2014.

VIII. Conclusion

Nevada Power respectfully requests that the Commission accept the proposed eTariff relocation described herein. If any questions arise regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,
Nevada Power Company

/s/ J. Ashley Cooper

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¹³ Order No. 714, at P. 63, permitting joint filers to designate one entity to file a tariff and requiring non-designated entities to submit a certificate of concurrence.

**NEVADA POWER COMPANY and
SIERRA PACIFIC POWER COMPANY
("NV ENERGY")

OPEN ACCESS

TRANSMISSION TARIFF

("OATT" or "Tariff")**

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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 Annual Transmission Costs:

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

1.4 ANSI:

American National Standards Institute.

1.5 Application:

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

1.6 Approved Credit Rating:

A short-term debt rating of not less than A2 by Standard and Poor's Corporation or a rating of not less than P2 by Moody's Investors Service or an equivalent rating from

any other reputable credit rating agency. A federal agency shall be deemed to have an Approved Credit Rating if its financial obligations under the Tariff are backed by the full faith and credit of the United States.

1.7 Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

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

1.10 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.

1.11 Curtailment:

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

1.12 Delivering Party:

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

1.13 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.

1.14 Direct Assignment Facilities:

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

1.15 Eligible Customer:

- (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- (ii) Any eligible retail customer taking unbundled Transmission Service pursuant to Retail Access or pursuant to a voluntary offer of such service by the Transmission

Provider, is an Eligible Customer and shall take service pursuant to Part IV of the Tariff.

1.16 End-Use Customer:

A consumer of electric energy receiving unbundled electric transmission service from the Transmission Provider pursuant to a Retail Access program. An End-Use Customer shall have a Designated Agent.

1.17 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.

1.18 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.

1.19 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).

1.20 Interruption:

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

1.21 Load Ratio Share:

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

1.22 Load Shedding:

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

1.23 Local Regulatory Authority:

The state or local government authority responsible for the regulation or oversight of a Utility Distribution Company.

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

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

1.25 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.

1.26 Network Customer:

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

1.27 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.28 Network Load:

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

1.29 Network Operating Agreement:

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

1.30 Network Operating Committee:

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

1.31 Network Resource:

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

1.32 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.

1.33 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.

1.34 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.

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

The information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.36 Part I:

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

1.37 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.

1.38 Part III:

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

1.39 Part IV:

Tariff Sections 36 through 38 pertaining to Retail Access Transmission Service in conjunction with the applicable Common Service Provisions of Part I, the Point-To-Point Transmission Provisions of Part II, the Network Integration Transmission Service provisions of Part III and appropriate Schedules and Attachments.

1.40 Parties:

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

1.41 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.

1.42 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.

1.43 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.

1.44 Power Purchaser:

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

1.45 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.

1.46 Receiving Party:

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

1.47 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.

1.48 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.

1.49 Retail Access Transmission Service:

Transmission Service that is reserved and scheduled between the Transmission Provider and an eligible retail customer (who has met the requirements under Retail Access to obtain such service) under Part IV of this Tariff.

1.50 Retail Access:

A program established pursuant to NRS Chapter 704B or NRS 704.787, under which the Transmission Provider offers unbundled transmission service.

1.51 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.

1.52 Service Commencement Date:

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

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

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

1.54 Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section 29.2 that (1) goes to physical delivery to serve a Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section 29 of the Tariff to deliver power to the Network Customer's Network Load.

1.55 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.

1.56 System Impact Study:

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

1.57 Third-Party Sale:

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

1.58 Transmission Customer:

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

Provisions and in the Ancillary Services schedules to include customers receiving transmission service under Part II and Part III of this Tariff.

1.59 Transmission Owner:

Sierra Pacific Power Company and Nevada Power Company (“NV Energy”)

1.60 Transmission Provider:

The public utility that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff, which is:

Nevada Power Company (“Nevada Power,” “NEVP,” “NV Energy”), for itself, and as the Designated Agent for Sierra Pacific Power Company.

1.61 Transmission Provider's Monthly Transmission System Peak:

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

1.62 Transmission Service:

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

1.63 Transmission System:

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

1.64 Utility Distribution Company (“UDC”):

An entity which will continue to provide services regulated by a Local Regulatory Authority for (1) the distribution of electricity to customers and (2) energy to those customers who do not choose Retail Access.

2 Initial Allocation And Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

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

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement.

This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer.

Service agreements subject to a right of first refusal entered into prior to October 10, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after October 10, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of October 10, 2008.

3 Ancillary Services

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area

- (i) Regulation and Frequency Response,
- (ii) Energy Imbalance,
- (iii) Operating Reserve - Spinning, and
- (iv) Operating Reserve – Supplemental.

The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

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

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The rate treatment to be applied in the event of an unauthorized use of Ancillary Services by the Transmission Customer shall be specified in the applicable Ancillary Service schedule.

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 to be offered by the Transmission Provider.

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 Generation Imbalance Service:

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

3.8 Loss Compensation Service:

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

4 Open Access Same-Time Information System (OASIS)

4.1 Terms and Conditions:

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

The Transmission Provider shall post on OASIS and 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.

4.2 North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ):

Pursuant to the Commission's April 25, 2006 Final Rule, Order No. 676 (115 FERC ¶ 61,102), April 19, 2007 Final Rule, Order No. 676-B (119 FERC ¶ 61,049), July 21, 2008 Final Rule, Order No. 676-C (124 FERC ¶ 61,070), and its November 24, 2009 Final Rule, Order No. 676-E (129 FERC ¶61,162) amending its regulations under the Federal Power Act, Transmission Provider hereby incorporates by reference the following standards promulgated by the NAESB WEQ.

- Open Access Same-Time Information Systems (OASIS), Version 1.5 (WEQ-001, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009), with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0, 001-9.7, 001-14.1.3, and 001-15.1.2;
- Open Access Same-Time Information Systems (OASIS) Standards & Communications Protocols, Version 1.5 (WEQ-002, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Open Access Same-Time Information Systems (OASIS) Data Dictionary, Version 1.5 (WEQ-003, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Coordinate Interchange (WEQ-004, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Area Control Error (ACE) Equation Special Cases (WEQ-005, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Manual Time Error Correction (WEQ-006, Version 001, October 31, 2007, with minor corrections applied on Nov. 16, 2007);
- Inadvertent Interchange Payback (WEQ-007, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);

- Gas/Electric Coordination (WEQ-011, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Public Key Infrastructure (PKI) (WEQ-012, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009); and
- Open Access Same-Time Information Systems (OASIS) Implementation Guide, Version 1.5 (WEQ-013, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009).

Pursuant to the Commission's November 13, 2008 Acceptance Order (125 FERC ¶61,170) of the Companies' Order 676-C Filing on September 17, 2008, the Transmission Provider hereby states that in that Acceptance Order a waiver was received from the following standard:

- Transmission Loading Relief – Eastern Interconnection (WEQ-008, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009).

5 Local Furnishing Bonds

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

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

5.2 Alternative Procedures for Requesting Transmission Service:

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed

order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

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 within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider or by wire transfer to a bank named by the Transmission Provider. If necessary, bills may be rendered on an estimated basis subject to true-up as soon as actual billing data is available.

7.2 Interest on Unpaid Balances:

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

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request.

In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

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 Regulatory Filings

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

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

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.

Except for the obligation to make any payments under this Tariff, each Party shall be excused from performing any obligation under this Tariff and shall not be liable in damages or otherwise if and to the extent that it is unable to perform or is prevented from performing such obligation by a Force Majeure; provided, that:

- (a) The non-performing Party, as promptly as practicable after the occurrence of the Force Majeure, but in no event later than five (5) days thereafter, gives the other Party written notice describing the particulars of the occurrence;
- (b) The suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure;
- (c) The non-performing Party uses Due Diligence to perform and/or remedy its inability to perform;
- (d) As soon as the non-performing Party is able to resume performance of its obligations excused as a result of the occurrence, it gives prompt written notification thereof to the other Party; and

- (e) Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party having such dispute.

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

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

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

12.4 Costs:

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

- (A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (B) one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 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 day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved 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 and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

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

13.4 Service Agreements:

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

An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1)

degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either

- (i) compensate the Transmission Provider for any necessary transmission facility additions or
- (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4.

Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly or 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 Load Shedding procedures specified in Section 33. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-

Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers.

All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

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.

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

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. (Pacific Time) of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. (Pacific Time) will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.1 Term:

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

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-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. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

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

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

14.4 Service Agreements:

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

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

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes

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

Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 1:00 p.m. (Pacific Time) of the day prior to commencement of such service. Schedules submitted after than 1:00 p.m. (Pacific Time) 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 twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any

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

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate

- (1) a request for Firm Transmission Service,
- (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration,
- (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price,
- (4) transmission service for Network Customers from non-designated resources, or
- (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4.

The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a 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). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions:

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

15.2 Determination of Available Transfer Capability:

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

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

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

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

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

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

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

A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until
 - (i) Network Upgrades are completed for the Transmission Customer,
 - (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or
 - (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

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

15.6 Other Transmission Service Schedules:

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

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. Replacement of Real Power Losses shall be made pursuant to the options contained in Schedule 10.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
- e. The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- f. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

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:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to the current representative(s) for the Companies. For eligible retail customers or an authorized agency seeking Point-To-Point Retail Open Access Transmission Service, such requests shall be submitted in accordance with Part IV of this Tariff.

The Companies' representative is listed on the Open Access Transmission Inc.(OATi) OASIS website in the Contacts folder.

The OATi OASIS websites are located at the following locations:

<http://www.oasis.oati.com/NEVP>

<http://www.oasis.oati.com/SPPC>

<http://www.oasis.oati.com/NVE>

The Application must be submitted at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5.

All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. In the event that the Transmission Provider's OASIS is not functional for any reason, a Completed Application may instead be submitted by

(i) transmitting the required information to the Transmission Provider by telefax, or

- (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line designated for that purpose.

Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application:

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

- (i) The identity, address, telephone number and 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 the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;

- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service;
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment K; and
- (xi) The designated representative for Transmission Customer who will be responsible for operational communications with the Transmission Provider and who will have sufficient authority to commit and bind the Transmission Customer during real time operation. Such representative may be responsible for more than one Transmission Customer but each Transmission Customer shall have only one representative.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full

charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

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, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

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

17.6 Execution of Service Agreement:

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

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service.

(a) Procedures For Obtaining an Extension of Service Involving Existing Facilities:

The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date.

In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

(b) Procedures For Obtaining an Extension of Service When New Facilities Are Constructed:

When a requested extension is made on or after July 5, 2004 and involves the construction of new facilities by the Transmission Provider, the procedures described in Section 17.7(a) shall apply, except that the following procedures will apply with respect to the amount of compensation required for the requested extension:

- (i) The Transmission Provider will determine whether the extension can be granted without the incurrence of additional costs by the Transmission Provider. If so, the provisions of Section 17.7(a) shall govern the amount of compensation required.
- (ii) If additional costs will be incurred by the Transmission Provider as a consequence of the requested extension, a senior management representative of both the Transmission Provider and the Transmission Customer shall negotiate in good faith to attempt to reach an agreement on the amount and form of compensation required for the extension. The Transmission Provider shall file any such agreement under Section 205 of the Federal Power Act as an amendment to the Transmission Customer's transmission service agreement.
- (iii) If additional costs will be incurred by the Transmission Provider as a consequence of the requested extension and the Transmission Provider and the Transmission Customer cannot reach an agreement on the amount and form of compensation required for the extension, the Transmission Provider may make a filing under Section 205 of the Federal Power Act as an amendment to the Transmission Customer's transmission service agreement, providing for the recovery of the carrying costs and any other costs incurred by the Transmission Provider as a consequence of the extension. Such filing shall contain information that shall allow the Commission to determine whether the claimed costs are just and reasonable.

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

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS.

In the event that the Transmission Provider's OASIS is not functional for any reason, a Completed Application may instead be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line designated for that purpose. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

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

- (i) The identity, address, telephone number and 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 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
- (viii) The designated representative for Transmission Customer who will be responsible for operational communications with the Transmission Provider and who will have sufficient authority to commit and bind the Transmission Customer during real time operation. Such representative may be responsible for more than one Transmission Customer but each Transmission Customer shall have only one representative.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- (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.

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; and requests for daily service shall be submitted no earlier than two (2) days before service is to commence. Requests for hourly service shall be submitted no earlier than 6:00 a.m. (Pacific Time) the day before service is to commence. Requests for service received later than 2:00 p.m. (Pacific Time) prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service but no earlier than 11:00 a.m. (Pacific Time) prior to the day service is scheduled, (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 redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to

the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.
- (iv) If multiple Eligible Customers request their service requests be studied together in a cluster, the Transmission Provider will determine whether it can reasonably accommodate their request for purposes of the System Impact Study. All Eligible Customers in the queue requesting to be studied together will be studied if it is reasonable to do so without regard to position in the queue. The Transmission Provider may study a service request separately to the extent warranted upon the request of an Eligible Customer requesting to opt out of the cluster or at the discretion of the Transmission Provider based upon Good Utility Practice. The costs of the System Impact Study shall be pro-rated among the Eligible Customers.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify:

- (1) any system constraints identified with specificity by transmission element or flowgate,
- (2) redispatch options, (when requested by an Eligible Customer) including an estimate of the cost of redispatch,
- (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and
- (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service

For customers requesting the study of redispatch options, the System Impact Study shall:

- (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and
- (2) provide a measurement of each resource's impact on the system constraint.

If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study.

In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate

all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. Alternatively, the Eligible Customer may request within fifteen (15) days of completion of the System Impact Study that the Transmission Provider conduct a revised System Impact Study, at the Eligible Customer's expense, of the Transmission Provider's ability to provide transmission service with redispach of the Transmission Provider's resources or conditional curtailment transmission service as contemplated by Section 15.4. The Transmission Provider shall have sixty (60) days to complete any such revised System Impact Study using due diligence. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, or Revised System Impact Study, as the case may be, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study, or Revised System Impact Study, as the case may be, 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, or Revised System Impact Study, as the case may be, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider

is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of

- (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer,
- (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and
- (iii) the time required to complete such construction and initiate the requested service.

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

19.5 Facilities Study Modifications:

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

facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To- Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

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

19.8 Expedited Procedures for New Facilities:

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

In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty

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

19.9 Penalties for Failure to Meet Study Deadlines:

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

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating

circumstances that prevented it from meeting the 60-day study completion deadlines.

- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.
- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

20 Procedures If The Transmission Provider Is Unable To Complete New Transmission Facilities For Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities:

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

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions:

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

21 Provisions Relating To Transmission Construction And Services On The Systems Of Other Utilities

21.1 Responsibility for Third-Party System Additions:

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

21.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

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 Assignment or Transfer of Service:

- a. A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.
- b. The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the

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

23.3 Information on Assignment or Transfer of Service:

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

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

27 Compensation For New Facilities and Redispatch Costs

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

III. Network Integration Transmission Service

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. For eligible retail customers or an authorized agency seeking Network Integration Retail Open Access Transmission Service, such requests shall be submitted in accordance with Part IV of this Tariff.

28 Nature Of Network Integration Transmission Service

28.1 Scope of Service:

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

28.2 Transmission Provider Responsibilities:

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

28.3 Network Integration Transmission Service:

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

28.4 Secondary Service:

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

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. Replacement of Real Power Losses shall be made pursuant to the options contained in Schedule 10.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-

To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale that requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that

- (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,
- (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,
- (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F (or Attachment F-1, if applicable) for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. In the event that the Transmission Provider's OASIS is not functional for any reason, a Completed Application may instead be submitted by (i) transmitting the required information to

the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line designated for that purpose. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

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

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection) for each on-system Network Resource, such description shall include:

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

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit

- Any must-run unit designations required for system reliability or contract reasons
 - Approximate variable generating cost (\$/MWH) for redispatch computations;
- (vi) Description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10 year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the

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

- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

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

29.4 Network Customer Facilities:

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

29.5 Filing of Service Agreement:

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

30 Network Resources

30.1 Designation of Network Resources:

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

30.2 Designation of New Network Resources:

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

- (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and
- (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible

basis, except for purposes of fulfilling obligations under a reserve sharing program.

The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

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

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the

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

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

Information provided by a Network Customer necessary to redesignate a Network Resource following a period of temporary termination may incorporate by reference information provided pursuant to Section 29 which that resource was first designated, provided, however, that a Network Customer must provide an attestation required by Section 29.2 in order to properly redesignate the Network Resource.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing group, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in

excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

Power from a Substitute Network Resource may be transmitted over transmission capacity reserved under Section 29 for the booked out Network Resource, provided that the Network Customer document the Substitute Designated Network Resource on its electronic tag submitted to the Transmission Provider. A Network Customer need not undesignate a Network Resource before engaging in a Bookout involving that Network Resource.

30.5 Network Customer Redispatch Obligation:

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

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

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider

will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

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

30.8 Use of Interface Capacity by the Network Customer:

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

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities added by the Network Customer subsequent to July 13th, 2007 (the effective date of the Final Rule in RM05-25-000), the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission

facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load:

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

31.2 New Network Loads Connected With the Transmission Provider:

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

31.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of

- (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or

(2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff.

To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

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

31.5 Changes in Service Requests:

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written

notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a 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. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

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

necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify

- (1) any system constraints, identified with specificity by transmission element or flowgate,
- (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch,
- (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and
- (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service.

For customers requesting the study of redispatch options, the System Impact Study shall

- (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and
- (2) provide a measurement of each resource's impact on the system constraint.

If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study.

In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete.

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

32.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the

Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of

- (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer,
- (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and
- (iii) the time required to complete such construction and initiate the requested service.

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

32.5 Penalties for Failure to Meet Study Deadlines:

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies

under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 Procedures:

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

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

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

33.4 Curtailments of Scheduled Deliveries:

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

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

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

33.7 System Reliability:

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

- (i) limit the extent or damage of the adverse condition(s) or disturbance(s),
- (ii) prevent damage to generating or transmission facilities, or
- (iii) expedite restoration of service.

The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

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

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Monthly Network Load pursuant to Section 34.2 by the rate specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load:

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

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

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

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network

Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

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

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement:

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

35.2 Network Operating Agreement:

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to

- (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
- (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
- (iii) use software programs required for data links and constraint dispatching,
- (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
- (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.

The Network Operating Agreement will recognize that the Network Customer shall either

- (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 CFR § 39.1,
- (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or
- (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO.

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee:

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

IV. Retail Access Transmission Service

Preamble

The Transmission Provider will provide Retail Access Transmission Service to any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to Retail Access.

36 Application

The Transmission Provider will accept applications for Retail Access Transmission Service from any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to Retail Access. The Application shall indicate that service is being requested by an eligible retail customer or authorized agency for either Point-To-Point Transmission Service and/or Network Integration Transmission Service, and shall contain the information requested in Part II or Part III of the Tariff, as applicable. An eligible retail customer or authorized agency may apply for both Point-To-Point Transmission Service and Network Integration Transmission Service, with the limitation that only one type of service may be used at a single discrete Point of Delivery. Each eligible retail customer or authorized agency must have a minimum of one (1) MW of load under each type of Transmission Service requested to accommodate scheduling requirements. Service for eligible retail customers or an authorized agency may not commence until a Service Agreement has been filed with the Commission.

36.1 Responsibilities:

The eligible retail customer or authorized agency shall be responsible for:

- (1) Paying the Transmission Provider's bill in accordance with this Tariff;
- (2) If Retail Access Transmission Service is being provided by an authorized agency, such authorized agency shall be responsible for aggregating the loads and resources for all eligible retail customers which it serves, and submitting a balanced schedule for capacity and energy for those eligible retail customers; and
- (3) Coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider.

36.2 Termination of Service Agreement:

A Retail Access Transmission Service Agreement can be terminated by the Transmission Provider on written notice:

- (1) if the eligible retail customer or authorized agency no longer meets the requirements for Retail Access Transmission Service;
- (2) if the eligible retail customer or authorized agency fails to pay any sum under this Tariff and fails to remedy the default within a period of seven (7) days after the Transmission Provider has given written notice of the default;
- or
- (3) if the eligible retail customer or authorized agency commits any other default under this Tariff or an applicable Network Operating Agreement which, if capable of being remedied, is not remedied within thirty (30) days after the Transmission Provider has given written notice of the default.

The Transmission Provider will, as soon as reasonably practicable following the occurrence of any of the events specified above notify the eligible retail customer or authorized agency that the Service Agreement is being terminated. Upon the occurrence of (1), (2) or (3) above, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves such a request.

37 Billing

The eligible retail customer or authorized agency must be a Point-To-Point and/or Network Customer under this Tariff, and the Transmission Provider will maintain a contractual relationship with the eligible retail customer or authorized agency. As the Point-To-Point Transmission and/or Network Customer, the eligible retail customer or authorized agency is responsible pursuant to Section 7 for payment of charges for all services provided under the Tariff. The Transmission Provider will use the end-use meter data, adjusted as necessary for distribution system losses, to determine the monthly Network Load for Network Customers and for settlement of hourly imbalance and transmission losses for both Network Customers (under Part III) and Point-To-Point Transmission Customers (under Part II). Such end-use meter data shall be collected by the Transmission Provider and shall be an accurate measure of the actual consumption of energy by each Eligible Customer in each hour of the calendar month.

38 Assignment of ATC

Any Transmission Customer taking and paying for Long-Term Firm Point-To-Point Transmission Service pursuant to Part II of the Tariff may request in writing and for a specified period of time to forego the ability to use, in any manner, all or part of its Reserved Capacity under its Long-Term Firm Point-To-Point Transmission Service agreement (“TSA”) in order to make ATC available to deliver a specified Network Resource(s) to an eligible retail customer or authorized agency taking Network Service pursuant to Part IV of the Tariff. The specified period(s) of time for which such ATC is made available must be for the same period as the duration of the specified Network Resource(s). The specified End-Use Customer(s), eligible retail customer or authorized agency must provide a written statement of concurrence to the proposed arrangements.

Such a request to make ATC available will be queued and subject to a System Impact Study, if necessary, to determine the amount of ATC in MW associated with the foregone Point-To-Point Transmission Service and consequently, the amount of ATC available to deliver the specified Network Resource(s) to the specified End-Use Customer(s), eligible retail customer or authorized agency. This assignment of ATC is limited to the amount of ATC available as a direct result of the foregone Point-To-Point Transmission Service and is not applicable if installation of any additional transmission facilities is required to make the ATC available. The Transmission Customer will be entitled to make subsequent requests to continue to forego all or part of its Reserved Capacity pursuant to its TSA to reflect changes to the specific Network Resource(s) of the specified End-Use Customer(s), eligible retail customer or authorized agency. However, any changes in the designation of the specified Network Resource(s) will be subject to the provisions of Sections 30.1 through 30.9 of the Tariff and will require any applicable approvals from the Public Utilities Commission of Nevada.

The Transmission Customer will continue to be billed and will pay all applicable charges pursuant to Schedule 1 and Schedule 7 for the full amount of the Reserved Capacity under its TSA. The Transmission Customer will continue to be billed and will pay all applicable charges

for the remaining ancillary services (to the extent not self-supplied) for the full amount of its Reserved Capacity under its TSA less the MW that the Transmission Provider has determined to be made available to the End-Use Customer(s), eligible retail customer or authorized agency as a result of the foregone Point-To-Point Transmission Service. The Network Customer will be billed and will pay all applicable transmission and ancillary service charges for Network Service provided to the End-Use Customer(s), eligible retail customer or authorized agency including service made available pursuant to this provision.

At the end of the specified period(s), the foregone Point-To-Point Transmission Service shall automatically be restored to the Transmission Customer, unless a new request to forego the service has been provided in accordance with the above procedure. In addition, if at any time during the specified period the specified End-Use Customer(s), eligible retail customer or authorized agency discontinues service from the specified Network Resource(s), the foregone Point-To-Point Transmission Service shall be restored to the Transmission Customer.

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.

The Transmission Customer shall maintain, or shall designate a 24 hour, seven days per week scheduling entity for the purposes of communicating with the Transmission Provider regarding all scheduling of the Transmission Customer's loads and/or resources and for coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider. Such scheduling entity must be registered as a single purchasing selling entity ("PSE") on the NAESB Electric Industry Registry ("EIR") website. Either the Transmission Customer acting on its own behalf, or its designated scheduling entity, will at all times have present a designated member of its staff who will be responsible for operational communications with the Transmission Provider and who will have sufficient authority to commit and bind the Transmission Customer. The Transmission Customer shall provide written notification to the Transmission Provider of a change in its designated scheduling entity as soon as practicable but not later than sixty (60) days prior to the effective date of such change. The Transmission Customer shall be allowed a maximum of two changes to its scheduling entity in a 12-month period.

Pre-schedules shall be submitted through the presentation of an electronic tag (“e-tag”), as defined by the NERC, to the Transmission Provider. The Transmission Customer or its designated scheduling entity is responsible for ensuring that the e-tag is submitted in accordance with the Operating and Scheduling Protocol posted on the Transmission Provider’s OASIS. E-tags which are incomplete or contain incorrect information, will be rejected. Such e-tags may be resubmitted during the pre-scheduling process. However, Transmission Customers who have e-tags which are incomplete or incorrect at the close of pre-schedule will be required to implement their schedule in real-time. Real time schedules and changes to pre-schedule will be communicated to the Transmission Provider via telephone followed immediately by the submission of a correct and complete e-tag or modification to pre-existing tag as appropriate. The Transmission Customer or its designated scheduling entity is responsible for matching its tags and schedules and for ensuring that the information on the tag is correct. The Transmission Customer will be held responsible for any imbalance that may occur as a result of its failure to submit a correct and complete e-tag. Additionally, assessment of reserve requirements will be based on the e-tag.

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

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer’s Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

\$85.00/MW per month

19.62/MW per week

2.80/MW per day

0.12/MW per hour

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.

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

Maximum Rate:

\$300.00/MW per month

69.23/MW per week

11.54/MW per day on-peak

9.89/MW per day off-peak

0.72/MW per hour on-peak

0.41/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the North American Electric Reliability Corporation (NERC). The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such week.

Schedule 3: Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge the Transmission Customer under either Schedule 3 or Schedule 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located within the Transmission Provider's Control Area.

1. Maximum Rate:

\$7,500.00/MW per month

1,730.77/MW per week

288.46/MW per day on-peak

247.25/MW per day off-peak

18.03/MW per hour on-peak

10.30/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the following:

(i) For Point-to-Point Transmission Service, Reserved Capacity; or

- (ii) For Network Integration Service, the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service are greater than the billing demand determined pursuant to paragraph A above, the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

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 shall establish charges for energy imbalance based on the deviation bands as follows: (i) the portion of deviations within +/-1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the Market Price Proxy; (ii) the portion of 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 of the Market Price Proxy for underscheduling or 90 percent of the Market Price Proxy for overscheduling, and (iii) the portion of deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Market Price Proxy for underscheduling or 75 percent of the Market Price Proxy for

overscheduling.

For purposes of this Schedule, the Market Price Proxy shall be the simple average of the Powerdex Hourly Mid-Columbia Index (Mid-C) and the Powerdex Hourly Mead Index for the applicable hour.

If the Market Price Proxy hourly pricing data set out above is not available from Powerdex for a given hour, pricing data from another published source for the same hour and location shall be used or, if no such alternative published data is available, the applicable Powerdex indexes from one or more hours proximate to (either prior or subsequent to) the hour without available data and with the same hour characteristics shall be used in a commercially reasonable manner to estimate the missing pricing data.

For any hour for which the Transmission Provider assesses any charge for Energy Imbalance Service under this Schedule 4 based on 110% or 125% of the Market Price Proxy, the Transmission Provider shall credit any such penalty revenues in excess of the Market Price Proxy to Qualified Transmission Customers that did not incur an imbalance penalty in such hour. For each such hour, the amount of such credit shall be allocated among Qualified Transmission Customers that did not incur an imbalance penalty in such hour in proportion to their respective Qualified Transmission Loads for such hour. The calculation will be done monthly, for all hours of the month, on a one-month lagging basis.

For purposes of this Schedule 4, the following definitions shall apply:

- (a) “Qualified Transmission Customer” means each of the following:
 - (i) Long-Term Firm Point-to-Point Transmission Service Customer;
 - (ii) Network Customer; or
 - (iii) Transmission Provider on behalf of its Native Load Customers.
- (b) “Qualified Transmission Load” for any hour means the following with respect to each Qualified Transmission Customer:
 - (i) For each Long-Term Firm Point-to-Point Transmission Service Customer, its Reserved Capacity applicable to such hour;
 - (ii) For each Network Customer, its load for such hour; or

- (iii) For the Transmission Provider on behalf of its Native Load Customers, the hourly load in such hour.

For purposes of Schedule 10, the terms “Transmission Provider’s Incremental Energy Cost” and “Transmission Provider’s Decremental Energy Cost” will be deemed to be the Market Price Proxy as defined in this Schedule 4.

Schedule 5: Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Spinning Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 5 Spinning Reserve Service obligations equivalent to three months charges.

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.

The Transmission Customer must provide a level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports

sections. Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm Transmission path. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase a minimum one-half of its Operating Reserve requirements from Spinning Reserves. Any additional amount of Spinning Reserve Service above the minimum can also be purchased from the Transmission Provider.

For Point-to-Point Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Transmission Customer's Monthly Network Load as determined for each month pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Spinning Reserve Percent, thermal	3.5%
Spinning Reserve Percent, hydro	2.5%

Maximum Rates:

\$7,500.00/MW per month
1,730.77/MW per week
288.46/MW per day on-peak
247.25/MW per day off-peak
18.03/MW per hour on-peak
10.30/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The

Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission Customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 6: Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Supplemental Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 6 Supplemental Reserve Service obligations equivalent to three months charges.

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.

The Transmission Customer must provide a minimum level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating

Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm transmission path. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase one-half of its Operating Reserve requirements from Spinning Reserves and the remainder of the Operating Reserve requirements from Supplemental Reserves.

For Point-to-Point Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Transmission Customer’s Monthly Network Load as determined pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Supplemental Reserve Percent, thermal	3.5%
Supplemental Reserve Percent, hydro	2.5%

Maximum Rates:

\$6,600.00/MW per month
1,523.08/MW per week
253.85/MW per day on-peak
217.58/MW per day off-peak
15.87/MW per hour on-peak
9.07/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST,

Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 7: Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

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

- 1) **Yearly delivery:** one-twelfth of the demand charge of
\$31.76/kW of Reserved Capacity per year or
- 2) **Monthly delivery:**
\$2.65/kW of Reserved Capacity per month or
- 3) **Weekly delivery:**
\$0.61/kW of Reserved Capacity per week or
- 4) **Daily On-Peak delivery:**
\$0.10/kW of Reserved Capacity per day or
- 5) **Daily Off-Peak delivery:**
\$0.09/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. 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 of Reserved Capacity in any day during such week. Energy losses associated with Point-To-Point service under this schedule will not affect the Reserved Capacity.

6) 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.

7) Unreserved Use Penalty:

If a Transmission Customer exceeds its Reserved Capacity at any Point of Receipt and/or any Point of Delivery the Transmission Customer shall be charged 200% of the applicable Schedule 7 demand charge (i.e., Yearly, Monthly Weekly or Daily). The penalty shall be based on the period of unreserved use, subject to the following principles.

- (1) The unreserved use penalty for a single hour of unreserved will be based on the rate for daily firm point-to-point service.
- (2) More than one assessment for a given duration (e.g., daily) will increase the penalty period to the next longest duration (e.g., weekly).
- (3) The unreserved use penalty for multiple instances of unreserved use (i.e., more than one hour) within a day will be based on the rate for daily firm point-to-point service.
- (4) The unreserved use penalty for multiple instances of unreserved use during one calendar week shall result in a penalty based on the charge for weekly firm point-to-point service.
- (5) The unreserved use penalty for multiple instances of unreserved use during more than one week during a calendar month will be based on the charge for monthly firm point-to-point service.
- (6) Ancillary service charges for unreserved use will be based on the actual period of unreserved use.

(7) All unreserved uses of the Transmission System are considered uses of firm point-to-point transmission service, even if the Transmission Customer is taking Network Integration Transmission Service or Non-Firm Point-to-Point Transmission Service.

8) 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.

9) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any contract with a Third Party.** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 7.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

Schedule 8: Non-Firm Point-To-Point Transmission Service

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:**
\$2.65/kW of Reserved Capacity per month or
- 2) **Weekly delivery:**
\$0.61/kW of Reserved Capacity per week or
- 3) **Daily On-Peak delivery:**
\$0.10/kW of Reserved Capacity per day or
- 4) **Daily Off-Peak delivery:**
\$0.09/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. 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.

5) **Hourly delivery:**

The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the following rates:

\$6.25/MWH On-Peak and \$3.75/MWH Off-Peak

- The **On-Peak** period shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday.

- The **Off-Peak** periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. Energy losses associated with Point-To-Point Service under this schedule will not affect the Reserved Capacity.

6) 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.

7) 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.

8) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any Contract with a Third Party.** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 8.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

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 establish charges for generator imbalance based on the deviation bands as follows: (i) the portion of deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of the Market Price Proxy, (ii) the portion of deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Market Price Proxy for underscheduling or 90 percent of the Market Price Proxy for overscheduling, and (iii) the portion of deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's

scheduled transaction(s) will be settled at 125 percent of the Market Price Proxy for underscheduling or 75 percent of the Market Price Proxy for overscheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW.

An intermittent resource, for the limited purpose of this Schedule, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

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

For purposes of this Schedule, the Market Price Proxy shall be the simple average of the Powerdex Hourly Mid-Columbia Index (Mid-C) and the Powerdex Hourly Mead Index for the applicable hour. If the Market Price Proxy hourly pricing data set out above is not available from Powerdex for a given hour, pricing data from another published source for the same hour and location shall be used or, if no such alternative published data is available, the applicable Powerdex indexes from one or more hours proximate to (either prior or subsequent to) the hour without available data and with the same hour characteristics shall be used in a commercially reasonable manner to estimate the missing pricing data.

Credit to Transmission Customers for Imbalance Penalty Charges

For any hour for which the Transmission Provider assesses any charge for Generator Imbalance Service under this Schedule 9 based on 110% or 125% of the Market Price Proxy, the Transmission Provider shall credit any such penalty revenues in excess of the Market Price Proxy to Qualified Transmission Customers that did not incur an imbalance penalty in such hour. For each such hour, the amount of such credit shall be allocated among Qualified Transmission Customers that did not incur an imbalance penalty in such hour in proportion to their respective

Qualified Transmission Loads for such hour. The calculation will be done monthly, for all hours of the month, on a one-month lagging basis.

For purposes of this Schedule 9, the following definitions shall apply:

- (a) “Qualified Transmission Customer” means each of the following:
 - (i) Long-Term Firm Point-to-Point Transmission Service Customer;
 - (ii) Network Customer; or
 - (iii) Transmission Provider on behalf of its Native Load Customers.
- (b) “Qualified Transmission Load” for any hour means the following with respect to each Qualified Transmission Customer:
 - (i) For each Long-Term Firm Point-to-Point Transmission Service Customer, its Reserved Capacity applicable to such hour;
 - (ii) For each Network Customer, its load for such hour; or
 - (iii) For the Transmission Provider on behalf of its Native Load Customers, the hourly load in such hour.

Schedule 10: Loss Compensation Service

Capacity and energy losses occur when a Transmission Provider delivers electricity across its transmission facilities for a Transmission Customer. The Transmission Customer for Point-To-Point Transmission Service shall reimburse Transmission Provider for Real Power Losses as provided in Section 15.7 and may elect to:

- (1) Financially settle the losses by reimbursement as specified by the Transmission Provider for such losses, or;
- (2) Supply via a schedule capacity and energy necessary to compensate the Transmission Provider for such losses, or
- (3) Arrange for a third party to supply via a schedule the capacity and energy to compensate the Transmission Provider for such losses.

The procedures to determine the amount of losses associated with a transaction as well as the provisions for such charges or schedules for losses are set forth below.

1. Transmission Customer Options:

A Transmission Customer shall have the option to settle Real Power Losses pursuant to Section 2, Financial Losses, or Section 3, Physical Delivery as scheduled by the Transmission Customer or by a third party on behalf of the Transmission Customer, described below subject to the following conditions:

- a. A Transmission Customer shall be required to settle Real Power Losses associated with all short-term firm and non-firm point-to-point transmission service in an identical manner.
- b. Transmission Customers shall elect the method of loss compensation at the time of scheduling the Point-To-Point Transmission Service.
- c. Failure of a Transmission Customer to provide notification of its election for settling Real Power Losses to the Transmission Provider during the scheduling of

the Point-To-Point Transmission Service will result in Financial Settlement pursuant to Section 2 below until the next scheduling period.

2. Financial Settlement:

- a. The amount of Loss Compensation Service provided shall be the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in MWhs and the applicable loss factor provided in Section 4 below.
- b. The Transmission Customer shall compensate the Transmission Provider for Loss Compensation Service provided each hour at a rate equal to the Transmission Provider's Incremental Energy Cost for that hour.
- c. For purposes of this Schedule 10, "Transmission Provider's Incremental Energy Cost" shall be as defined in Schedule 4, Energy Imbalance Service.

3. Physical Delivery:

Transmission Customers electing physical delivery shall schedule losses, or have a third party schedule losses on their behalf, to the Transmission Provider concurrently with transmission energy schedules. Consistent with the e-Tag Business Practices of the WECC, Real Power Losses must be scheduled utilizing capacity from the original transmission service reservation or capacity on a new transmission service reservation. The amount of Real Power Losses scheduled shall be the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in whole MWhs and the applicable loss factor provided in Section 4 below. Partial MWhs will be accrued by the Transmission Customer and scheduled back within the month transmission service was taken, concurrent with their transmission schedules. Any partial MWhs not scheduled back within the month of service shall be billed financially.

4. Loss Factors

The Real Power Loss Factors is:

1.57%

Schedule 11: Regulation and Frequency Response Service for Generators Selling Outside of Control Area

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 for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a 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 generator that is a 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 under either Schedule 3 or 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located at the interface(s) of the Transmission Provider's Control Area.

1. Maximum Rate:

\$7,500.00/MW per month

1,730.77/MW per week

288.46/MW per day on-peak

247.25/MW per day off-peak

18.03/MW per hour on-peak

10.30/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

- A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the Point-to-Point Transmission Service, Reserved Capacity.
- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service

are greater than the billing demand determined pursuant to paragraph A above, the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

**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 NV Energy ("Transmission Provider"), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Transmission Customer:

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

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point of Receipt Delivering Party

4.0 Point 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: _____

8.5 Power Factor Requirements: _____

Attachment A-1:
**Form Of Service Agreement For The Resale, Reassignment Or
Transfer Of Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (the “Transmission Provider”), and _____ (the “Assignee”).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller’s Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee’s Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Assignee:

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

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

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

**Specifications For The Resale, Reassignment Or Transfer of
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 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 Service Agreement For Firm Point-To-Point Retail
Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy ("Transmission Provider"), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer certifies that it is an eligible retail customer or End-Use Customer with authorized agency pursuant to Retail Access.
- 3.0 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.
- 4.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 6.0 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.
- 7.0 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:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Transmission Customer:

End-Use Customer:

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

**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 of Receipt Delivering Party

4.0 Point 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: _____

8.5 Power Factor Requirements: _____

**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 NV Energy (“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:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Transmission Customer:

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

8.0 The capacity reserved under this contract is _____.

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 (ATC)

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1. ATC METHODOLOGY

This Attachment C contains the Transmission Provider's methodology for determination of Available Transfer Capability (ATC). The Transmission Provider employs methodologies consistent with the applicable North American Electric Reliability Corporation (NERC) Reliability MOD Standards. Any changes in ATC are calculated and reposted in the Transmission Offerings section of the Transmission Provider's OASIS for the NERC Time Horizon: Operations Planning (up to one year). Per MOD-001-1a, Available Transmission System Capability (MOD-001), Transmission Provider uses NERC Reliability Standard MOD-029-1a Rated System Path Methodology (MOD-29) for all ATC horizons.

1.1. Definition of Acronyms Used in the Mathematical Algorithms

ATC = Available Transfer Capability

CBM = Capacity Benefit Margin

ETC = Existing Transmission Commitments

GF = Grandfathered Rights

NITS = Network Integration Transmission Service

NL = Native Load Transmission Service

OS = Other Service for Transmission

PTP = Point-To-Point Transmission Service

ROR = Rollover Rights to Transmission Service

TRM = Transmission Reliability Margin

TSR = Transmission Service Request

TTC = Total Transfer Capability

1.2. Definition of Terms Used in the Mathematical Algorithms

1.2.1. Available Transfer Capability (ATC):

The amount of remaining MW of transfer capability on the Transmission Provider's ATC Paths over and above the committed uses.

1.2.2. Firm ATC

The following algorithm will be used for ATC Firm (ATC_F) for the applicable period of computation:

$$ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F$$

Where:

- ATC_F is the firm Available Transfer Capability for the ATC Path.
- TTC is the Total Transfer Capability of the ATC Path.
- 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.
- TRM is the Transmission Reliability Margin for the ATC.
- $Postbacks_F$ are changes to firm Available Transfer Capability due to a change in the use of Transmission.
- **Counterflows** are not used by the Transmission Provider in Firm ATC.

1.2.3. Non-Firm ATC

The following algorithm will be used for ATC Non-Firm (ATC_{NF}) for the applicable period of computation:

$$\mathbf{ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postbacks_{NF} + counterflows_{NF}}$$

Where:

- **ATC_{NF}** is the non-firm Available Transfer Capability for the ATC Path.
- **TTC** is the Total Transfer Capability of the ATC Path.
- **ETC_F** is the sum of existing firm commitments for the ATC Path.
- **ETC_{NF}** is the sum of existing non-firm commitments for the ATC Path.
- **CBM_S** is the Capacity Benefit Margin for the ATC Path that has been scheduled.
- **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.
- **Postbacks_{NF}** are changes to non-firm Available Transfer Capability due to a change in the use of Transmission.
- **counterflows_{NF}** are adjustments to non-firm ATC as determined by schedules submitted via e-Tags.

1.2.4 Available Transfer Capability Implementation Document (ATCID)

The Available Transfer Capability Implementation Document (ATCID) shall mean the document listed on the Transmission Provider's OASIS located at:

NVE ATCID Links:

[http://www.oasis.oati.com/NVE/NVEdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_\(ATCID\).pdf](http://www.oasis.oati.com/NVE/NVEdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_(ATCID).pdf)

[http://www.oatioasis.com/NEVP/NEVPdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_\(ATCID\).pdf](http://www.oatioasis.com/NEVP/NEVPdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_(ATCID).pdf)

[http://www.oatioasis.com/SPPC/SPPCdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_\(ATCID\).pdf](http://www.oatioasis.com/SPPC/SPPCdocs/NVE-BAL-200_Available_Transfer_Capability_Implementation_Document_(ATCID).pdf)

1.2.5 ATC Horizons:

- ***Scheduling Horizon:*** The real-time (same day or next-hour) period.
- ***Operating Horizon:*** The day-ahead or preschedule period as defined in the Western Electricity Coordinating Council (WECC) Preschedule Calendar.
- ***Operations Planning Horizon:*** The future period beyond the Operating Horizon up to one year.

1.2.6 Existing Transmission Commitments (ETC):

Existing Transmission Commitments (ETC) are divided into two categories, firm and non-firm. Such classification will accordingly determine the subsequent impact on the calculation of firm or non-firm ATC.

1.2.6.1 Existing Transmission Commitments Firm (ETC_F): Firm (ETC_F):

The following algorithm will be used when calculating firm ETC (ETC_F):

$$\text{ETC}_F = \text{NL}_F + \text{NITS}_F + \text{GF}_F + \text{PTP}_F + \text{ROR}_F + \text{OS}_F$$

Where:

- **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 ATC Implementation Document (ATCID).

1.2.6.2 Existing Transmission Commitments Non-Firm (ETC_{NF}):

The following algorithm will be used for Non-Firm Existing Transmission Commitments (ETC_{NF}):

$$\text{ETC}_{\text{NF}} = \text{NITS}_{\text{NF}} + \text{GF}_{\text{NF}} + \text{PTP}_{\text{NF}} + \text{OS}_{\text{NF}}$$

Where:

- **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."
- **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.

1.2.7 ATC Calculations Frequency

Per MOD-001-1a Available Transmission System Capability R2 and R8, the Scheduling Horizon calculation is run at a specific time each hour. The Operating and Planning Horizons are run at a specific time each day. At a minimum ATC calculations are run once per hour for the next 48 hours for hourly, once per day

for the next 31 calendar days for daily, and once per week for the next 12 months (2-13) for monthly.

2. DESCRIPTION OF MATHEMATICAL ALGORITHMS USED TO CALCULATE FIRM AND NON-FIRM ATC

The Transmission Provider uses the NERC MOD-029-1a Rated System Path Methodology in the assessment of firm and non-firm ATC for all posted paths in the Planning, Operating and Scheduling Horizons.

The mathematical algorithms for firm and non-firm ATC in the Scheduling, Operating and Planning Horizons consist of the following general formulas:

$$ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F$$

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM - TRM + Postbacks_{NF} + counterflows_{NF}$$

The components of these general formulas are described in further detail in this Attachment C.

2.1. Actual Mathematical Algorithms Links

The specific mathematical algorithms are posted on the Transmission Provider's OASIS website at:

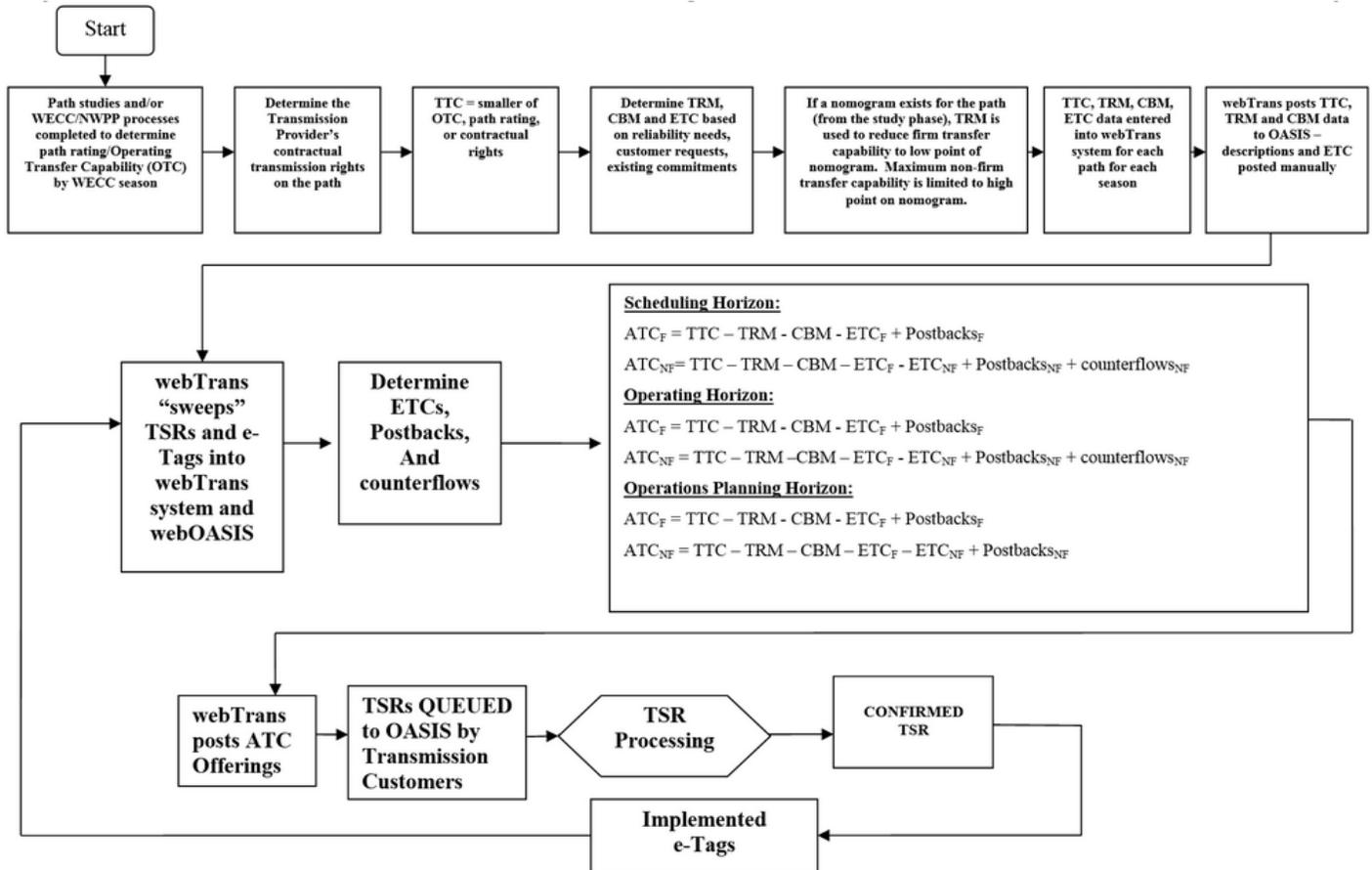
NV Energy Links:

http://www.oasis.oati.com/NVE/NVEdocs/ATC_Algorithms.pdf

http://www.oasis.oati.com/NEVP/NEVPdocs/ATC_Algorithms.pdf

http://www.oasis.oati.com/SPPC/SPPCdocs/ATC_Algorithms.pdf

2.2. ATC Process Flow Diagram



3. DETAILED EXPLANATION OF ATC COMPONENTS

3.1. Total Transfer Capability (TTC)

3.1.1. Definition

From the NERC document “Glossary of Terms Used in NERC Reliability Standards,” TTC is: “The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.”

As described below, the TTC is also dependent on transmission rights the Transmission Provider may have on a transmission path.

3.1.2. TTC Calculation Methodology and Assumptions

The Transmission Provider uses the following methodology and assumptions to calculate TTC as provided in NERC MOD-029-1a – Rated System Path Methodology

Specifically, the Transmission Provider calculates TTC as provided in NERC MOD-029-1a – Rated System Path Methodology, R1-R4, and MOD-001-1 Available Transmission System Capability, R6, R7. In MOD-001-1a R6 and R7, when calculating TTC and ATC respectively, the assumptions used are no more limiting than those used in the planning of operations. The processes are in accordance with MOD-029-1a, as well as MOD-001-1a R6 and R7:

R1. When calculating TTCs for ATC Paths, the Transmission Operator shall use a Transmission model which satisfies the following requirements:

R1.1. The model utilizes data and assumptions consistent with the time period being studied and that meets the following criteria:

R1.1.1. Includes at least:

R1.1.1.1. The Transmission Operator area. Equivalent representation of radial lines and facilities 161kV or below is allowed.

R1.1.1.2. All Transmission Operator areas contiguous with its own Transmission Operator area. (Equivalent representation is allowed.)

- R1.1.1.3. Any other Transmission Operator area linked to the Transmission Operator's area by joint operating agreement. (Equivalent representation is allowed.)
- R1.1.2. Models all system Elements as in-service for the assumed initial conditions.
- R1.1.3. Models all generation (may be either a single generator or multiple generators) that is greater than 20 MVA at the point of interconnection in the studied area.
- R1.1.4. Models phase shifters in non-regulating mode, unless otherwise specified in the Available Transfer Capability Implementation Document (ATCID).
- R1.1.5. Uses Load forecast by Balancing Authority
- R1.1.6. Uses Transmission Facility additions and retirements.
- R1.1.7. Uses Generation Facility additions and retirements.
- R1.1.8. Uses Special Protection System (SPS) models where currently existing or projected for implementation within the studied time horizon.
- R1.1.9. Models series compensation for each line at the expected operating level unless specified otherwise in the ATCID.
- R1.1.10. Includes any other modeling requirements or criteria specified in the ATCID.
- R1.2. Uses Facility Ratings as provided by the Transmission Owner and Generation Owner.
- R2. The Transmission Operator shall use the following process to determine TTC:
 - R2.1. Except where otherwise specified within MOD-029-1, adjust base case generation and Load levels within the updated power flow model to determine the TTC (maximum flow or reliability limit)

that can be simulated on the ATC Path¹ while at the same time satisfying all planning criteria contingencies as follows:

- R2.1.1. When modeling normal conditions, all Transmission Elements will be modeled at or below 100% of their continuous rating.
- R2.1.2. When modeling contingencies the system shall demonstrate transient, dynamic and voltage stability, with no Transmission Element modeled above its Emergency Rating.
- R2.1.3. Uncontrolled separation shall not occur.
- R2.2. Where it is impossible to actually simulate a reliability-limited flow in a direction counter to prevailing flows (on an alternating current Transmission line), set the TTC for the non-prevailing direction equal to the TTC in the prevailing direction. If the TTC in the prevailing flow direction is dependent on a Special Protection System (SPS), set the TTC for the non-prevailing flow direction equal to the greater of the maximum flow that can be simulated in the non-prevailing flow direction or the maximum TTC that can be achieved in the prevailing flow direction without use of a SPS.
- R2.3. For an ATC Path whose capacity is limited by contract, set TTC on the ATC Path at the lesser of the maximum allowable contract capacity or the reliability limit as determined by R2.1.
- R2.4. For an ATC Path whose TTC varies due to simultaneous interaction with one or more other paths, develop a nomogram describing the interaction of the paths and the resulting TTC under specified conditions.
- R2.5. The Transmission Operator shall identify when the TTC for the ATC Path being studied has an adverse impact on the TTC value of any existing path. Do this by modeling the flow on the path being studied at its proposed new TTC level simultaneous with the flow on the existing path at its TTC level while at the same time

¹ As described in the March 4, 2011 NERC letter (the “March 4 Letter”) to Transmission Owners and Transmission Service Providers subject to MOD-029-1, when a simulation of an updated power flow model to determine TTC identifies a limiting piece of equipment that restricts that amount of flow on a path that is considered “Reliability Limited” and the simulation cannot sufficiently load the transmission path thereby creating a “Flow Limited” path, Transmission Provider shall not reduce the TTC/ATC of such path in accordance with the extension of Requirement MOD-29-1a, R.2.1, granted by NERC in the March 4 Letter.

honoring the reliability criteria outlined in R2.1. The Transmission Operator shall include the resolution of this adverse impact in its study report for the ATC Path.

- R2.6. Where multiple ownership of Transmission rights exists on an ATC Path, allocate TTC of that ATC Path in accordance with the contractual agreement made by the multiple owners of that ATC Path.
 - R2.7. For ATC Paths whose path rating, adjusted for seasonal variance, was established, known and used in operation since January 1, 1994, and no action has been taken to have the path rated using a different method, set the TTC at that previously established amount.
 - R2.8. Create a study report that describes the steps above that were undertaken (R2.1 – R2.7), including the contingencies and assumptions used, when determining the TTC and the results of the study. Where three phase fault damping is used to determine stability limits, that report shall also identify the percent used and include justification for use unless specified otherwise in the ATCID.
- R3. Each Transmission Operator shall establish the TTC at the lesser of the value calculated in R2 or any System Operating Limit (SOL) for that ATC Path.
 - R4. Within seven calendar days of the finalization of the study report, the Transmission Operator shall make available to the Transmission Service Provider of the ATC Path, the most current value for TTC and the TTC study report documenting the assumptions used and steps taken in determining the current value for TTC for that ATC Path.

3.1.3. Databases Used in TTC Assessments

The studies used in Transmission Service Provider's TTC assessments are based on system operating base cases developed through the collaborative base case development process of the Western Electricity Coordinating Council (WECC).

3.2. Calculation Methodology Used to Determine the Transmission Capacity to Be Set Aside for Native Load, OATT Customers and, non-OATT Customers for Operating and Operations Planning Horizon Links

For Transmission Provider:

<https://www.oasis.oati.com/cgi-bin/webplus.dll?script=/woa/woa-systemdata-summary.wml&Provider=NEVP>

To calculate the Existing Transmission Commitments on a specific path, the amounts contained in the tables linked above are totaled – by path – and deducted from the total Available Transfer Capability Firm (ATC_F) for that path.

3.3. Process For Ensuring that Non-Firm Capacity is Released Properly

The capacity from firm transmission reservations that is not scheduled/tagged (i.e. unused) will be made available and posted on OASIS as non-firm ATC in the Scheduling Horizon. The ATC Formula calculation uses the tag energy profile values to retain only the tagged amount from being released for Normal Transaction Tag Types and the Transmission Allocation values for Dynamic Transaction Tag Types. In addition, the tag energy profiles are used to create counter-schedule Non-Firm ATC (counterflow) against Firm schedules.

3.4. Available Flowgate Capacity (AFC) Methodology

The Transmission Provider does not use an AFC methodology to calculate ATC.

3.5. Transmission Reserve Margin (TRM)

3.5.1. Definition

From the NERC document “Glossary of Terms Used in NERC Reliability Standards,” TRM is “The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.”

3.5.2. TRM Components of Uncertainty:

Following are the components of uncertainty used by the Transmission Service Provider in establishing TRM, as detailed in the NERC standard “MOD-008-1 Transmission Reliability Margin Methodology”.

1. Aggregate Load forecast.
2. Load distribution uncertainty.
3. Forecast uncertainty in Transmission system topology (including, but not limited to, forced or unplanned outages and maintenance outages).
4. Allowances for parallel path (loop flow) impacts.
5. Allowances for simultaneous path interactions.
6. Variations in generation dispatch (including, but not limited to, forced or unplanned outages, maintenance outages and location of future generation).
7. Short-term System Operator response (Operating Reserve actions).
8. Reserve sharing requirements.
9. Inertial response and frequency bias.

Note that TRM is not released on a non-firm basis.

3.5.3 Calculation Methodology For TRM

Per the NERC standard “MOD-008-1 Transmission Reliability Margin Methodology” the Transmission Provider employs a TRM Implementation Document (TRMID). The TRMID states which components of uncertainty are applied to its ATC paths.

Of the components of uncertainty, the following components are addressed in calculating TTC, and therefore are not TRM components:

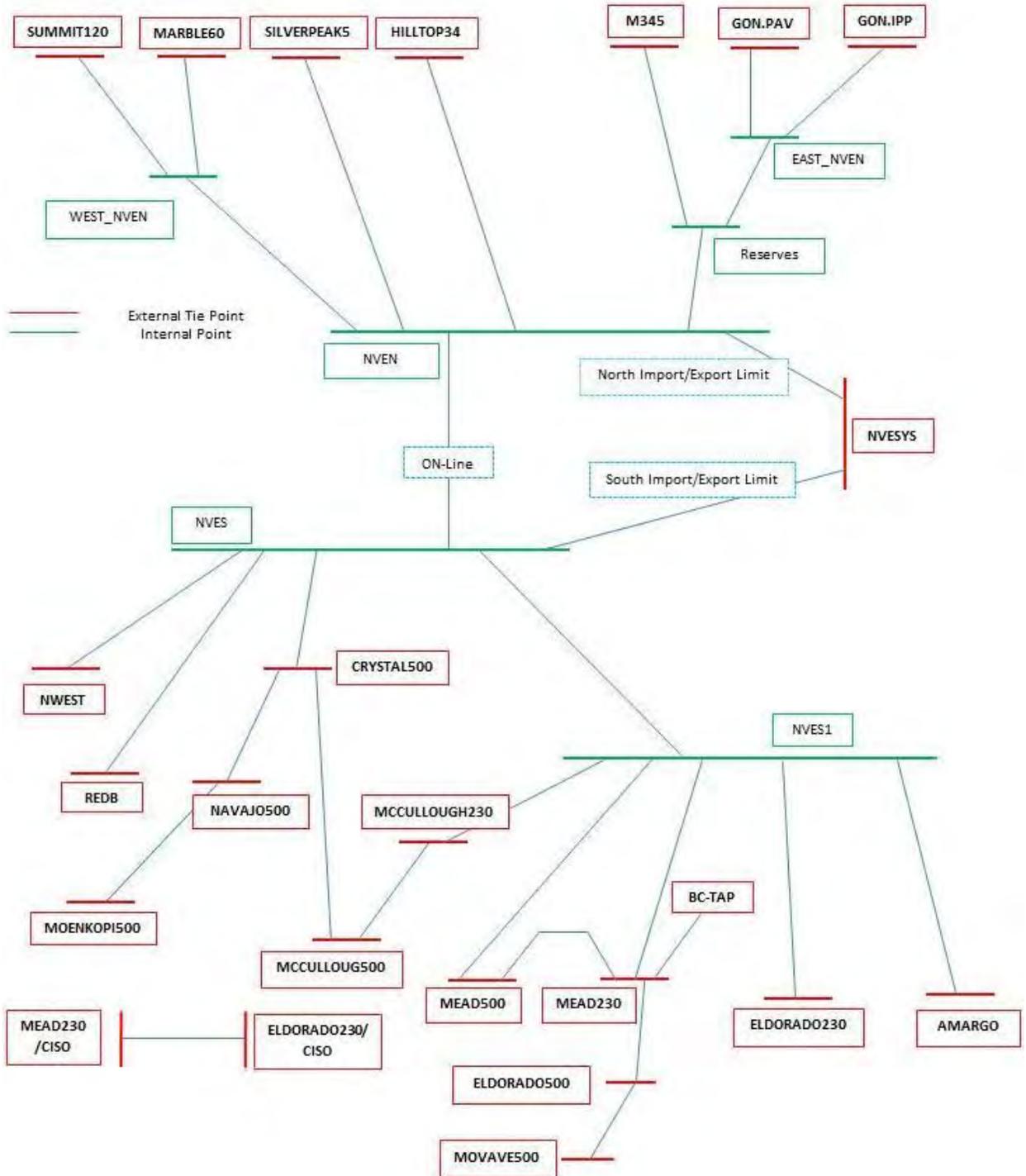
- Load distribution uncertainty.
- Variations in generation dispatch (including, but not limited to, forced or unplanned outages, maintenance outages and location of future generation).

Transmission Provider uses both a component of TRM for managing system import limit as well as a path-specific component of TRM for access to reserve sharing assistance from the Northwest Power Pool (NWPP). TRM for system import limitations is only applied to the total system TTC. TRM for reserve assistance is applied to the TTC values of the specific paths on which reserve

assistance can be received. The two TRM components are independent, and therefore the capacity reserved is not duplicative.

To manage the ATC calculations for system import limit in the OATi OASIS system, Transmission Provider has created a “virtual path” (to reflect the simultaneous import limit) in series with the physical paths (see diagram in Figure 1). Rather than posting TRM to individual paths on OATi-OASIS, the “virtual path” has a TTC equal to the summation of rating of the individual paths (the non-simultaneous TTC). The difference between the non-simultaneous TTC and the simultaneous import limit TTC is TRM. Effectively, the simultaneous import limit TTC is available for scheduling.

Figure 1---Physical & Virtual Paths for ATC Calculation to Manage System Import Limit



When customers attempt to reserve transmission capability to serve load within the Transmission Provider's system, the ATC on both the physical path under consideration and the series virtual path(s) are decremented. Schedules on all physical paths must cross the virtual path, and stay within the simultaneous import limit TTC, to reach the load.

The Transmission Provider also uses TRM to guarantee access to reserve assistance from Northwest Power Pool Reserve Sharing Group. The Transmission Provider sets aside the entire TRM for reserves on the Midpoint/Humboldt (Path 76), the Pavant/Gonder-IPP/Gonder (Path 32), and the Harry Allen Red Butte (Path 35) paths together. The ATC on both the physical path under consideration and the series virtual path are decremented.

The above method allows for market-based dynamic allocation of TRM for reserves, ensuring efficient transmission usage along with ensuring sufficient remaining transmission capability to access NWPP reserves.

3.5.4. List Of Databases Used In TRM Assessments

The Transmission Provider does not use any databases in its TRM assessments.

3.5.5. Conditions Under Which TRM Is Used

The Transmission Provider **uses TRM for two purposes:**

- Participation in reserve sharing
- Managing import limitations

The difference between the non-simultaneous import limit for the Transmission Provider (i.e., the arithmetic sum of all paths' TTC) and the simultaneous limit (i.e., the simultaneous interaction of all the paths) is the system TRM.

When customers attempt to reserve transmission capability to serve load within the Transmission Provider's system, the ATC on both the physical path under consideration and the series virtual path is decremented. Schedules on all physical paths must cross the virtual path to reach the load.

The TRM for contingency reserves is variable since it is load based. According to NERC Reliability Standards, contingency reserves are seven percent of the Load Responsibility. Load Responsibility is the actual control area/balancing area demand less firm imports plus firm exports. For purposes of defining TRM for reserves, the Transmission Provider assumes that firm exports will be zero. Further, all imports are deemed firm. Thus, the contingency reserve requirement becomes:

$(\text{Load} - \text{import}) * 0.07$.

To meet DCS, all control areas/balancing areas must have access to reserves equal to at least their Most Severe Single Contingency (MSSC), the largest generator output. Since the generator output is always greater than the internal contingency reserves, the remainder must be accessible from the NWPP entities on the Midpoint/Humboldt, Pavant-Gonder and Harry Allen Red Butte interties (the only paths available using the NWPP automated reserve sharing system).

Since load varies, the NWPP contingency reserves needed by the Transmission Provider vary as well. While the load changes moment-to-moment, the Transmission Provider chose to set aside TRM based upon the peak load expected in a calendar quarter. TRM is thus:

$$\text{TRM} = \text{MSSC} - (\text{Maximum Quarterly Load} - \text{Expected Import}) * .07$$

The Transmission Provider will assess the TTC and the ATC of the Transmission System to provide the service requested as prescribed by Commission regulations and in accordance with the process detailed in Sections 4 and 5 of the Transmission Provider's annual FERC Form 715 submittal. In determining the level of capacity available for new transmission service requests, the Transmission Provider will take into consideration the TRM capacity needed to meet current and reasonably forecasted loads of:

- Native Load Customers,
- existing Network Customers,
- existing Firm Point-To-Point Transmission Service Transmission Customers,
- pending applications for Firm Point-To-Point Transmission Service, and
- other existing contracts.

4. CAPACITY BENEFIT MARGIN (CBM) PRACTICE

Currently no CBM is set aside on the Transmission Provider's transmission paths. Potential generation deficiencies are currently handled through Contingency Reserves.

Should any of the Load Serving Entities (LSEs) in the Transmission Provider's Balancing Authority Areas request CBM be set aside (e.g., for load growth) in writing to the Manager of Contracts, these requests will be entered in the ATC components area of the OATi webTrans for transparency with an associated set-aside and CBM would be set up to allow unused (i.e., *Unscheduled/Untagged*) CBM to be released for non-firm use.

Requests for CBM will be evaluated on a case-by-case basis based on the transmission availability. The Transmission Provider will also reevaluate its own needs for CBM annually. Such reevaluation will take into account any changes in system conditions that might affect the need for CBM.

5. CAPACITY BENEFIT MARGIN (CBM)

5.1. Definition

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

5.2. Databases Used in its CBM Assessments

The Transmission Provider does not use any databases in its CBM assessment.

5.3. No Double-Counting of Contingency Outages When Performing CBM, TTC, and TRM Calculations

Since TTC is based upon path rating studies that incorporate contingency outages and the Transmission Provider determination and utilization of CBM and TRM are not based upon contingency outages, there is no double-counting of contingency outages.

6. PROCEDURES FOR ALLOWING THE USE OF CBM

Network Customers are required to request CBM in writing to the Director of Transmission Policy and Contracts, whose contact information is listed on the OASIS under the Contacts folder and Contacts document.

Should CBM capacity be set-aside in the future, values will be posted under the System Data tab in the CBM column and would be set-up to release as Non-Firm ATC in the ATC Formula.

7. POSTBACK METHODOLOGY

7.1. Components

Transmission Provider uses the OATi webTrans ATC calculator for all its posted paths, which automatically incorporates postbacks. Pursuant to Transmission Provider's Business Practices, postbacks include but are not necessarily limited to:

1. Annulment of ATC reservation
2. Redirection of transmission service on a firm basis

3. Recall of transmission capacity
4. Release of unscheduled firm capacity
5. Termination of DNR
6. Termination of secondary network reservation
7. Relinquishment
8. Downward adjustments of firm network schedules
9. Downward adjustments of firm point-to-point schedules

8. COUNTERFLOW METHODOLOGY

8.1. No Counterflow Adjustment to Firm ATC

Transmission Provider does not adjust firm ATC to reflect counterflows. As a result, the counterflow adjustment to firm ATC is set equal to zero.

8.2. Counterflow Adjustment to Non-Firm ATC

Transmission Provider adjusts non-firm ATC to reflect counterflows in the Operating and Scheduling Horizon of firm transmission. Transmission Provider uses the OATi webTrans ATC Formula Summary calculator, which automatically makes these adjustments.

Attachment D: Methodology For Completing A System Impact Study

The Transmission Provider will assess the capability of the transmission system to provide the service requested using the criteria and process for this assessment as detailed in Sections 4 and 5 of the Transmission Provider's Federal Energy Regulatory Commission ("FERC") Form 715 submittal. In determining the level of capacity available for new transmission service requests, the Transmission Provider will take into consideration that capacity needed to meet current and reasonably forecasted load of Native Load Customers and of Network Customers; existing Firm Point-To-Point Transmission Service Customers; pending applications for Firm Point-To-Point Transmission Service and existing contractual obligations under other tariffs and rate schedules.

Attachment E: Index Of Point-To-Point Transmission Service Customers

A current listing of Point-To-Point Transmission Service Customers is posted on the Company's OATi OASIS website in the Open Access Transmission Tariff folder. The OATi OASIS website is located at the following location.

<http://www.oasis.oati.com/NEVP>

Attachment F: Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”), and _____ (“Network Customer”).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff ("Tariff").
- 3.0 The Network Customer has provided to the Transmission Provider an Application Deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on _____.
- 5.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, this Service Agreement and the Network Operating Agreement as they may be amended from time to time.
- 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:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Network 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

Network Customer:

By: _____
Name Title Date

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”), and _____ (“Network Customer”).

2.0 Term of Network Service:

Start Date: _____

Termination Date: _____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):

4.0 Network Resources

(1) Transmission Customer Generation Owned:

Resource	Total Capacity	Capacity Designated as Network Resource
----------	----------------	---

(2) Transmission Customer Generation Purchased:

Source	Total Capacity
--------	----------------

(3) Total Network Resources: (1)+(2)= _____

5.0 Transmission Load

- (1) Network Customer's Network Load

$$\frac{\text{Network Load}}{\text{Transmission Voltage Level}}$$

- (2) Member System Loads Designated as Network Load

$$\frac{\text{Member System Load}}{\text{Transmission Voltage Level}}$$

- (3) Total Network Load: (1)+(2)= _____

6.0 Designation of party subject to reciprocal service obligation:

7.0 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.)

- (1) Load Ratio Share of Annual Transmission Revenue Requirement.

(2) Facilities Study Charge: _____

(3) Direct Assignment Facilities Charge: _____

- (4) Ancillary Services:

(a) Scheduling System, Control and Dispatch Service: _____

(b) Reactive Supply and Voltage Control from Generation Service: _____

(c) Regulation and Frequency Response Service:

(d) Energy Imbalance Service:

(e) Operating Reserve - Spinning Reserve Service:

(f) Operating Reserve - Supplemental Reserve Service:

(5) Redispatch Charges:

(6) Power Factor Requirements:

Transmission Provider:

By: _____
Name

_____ Title Date

Network Customer:

By: _____
Name

_____ Title

Date

Attachment F-1: Retail Access Form Of Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”) and _____ (“Network Customer”/”Designated Agent”) and _____ (“Eligible Customer”). The Network Customer and Designated Agent are collectively referred to in this Attachment F-1 as “Network Customer.”
- 2.0 The Eligible Customer certifies it has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to Retail Access under which the Transmission Provider offers unbundled retail transmission service.
- 3.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”).
- 4.0 The Network Customer has provided to the Transmission Provider an Application Deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of: (1) the requested service date as indicated in the Specifications for Network Integration Transmission Service, Section 2; (2) the date on which construction of any Direct Assignment Facilities are completed; (3) the date that Network Upgrades are completed (or in the alternative, a temporary release of capacity as set forth in the Specifications for Network Integration Transmission Service is provided); or (4) such other date as it is permitted to become effective by the Commission. A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network

Operating Agreement in place prior to commencement of transmission service hereunder.

Service under this agreement shall terminate on _____.

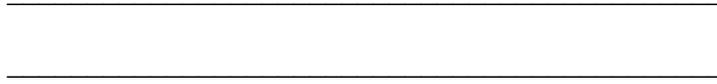
- 6.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement and the Network Operating Agreement as they may be amended from time to time.
- 7.0 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:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Network Customer/Designated Agent:

End-Use Customer/Eligible Customer:



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

**SPECIFICATIONS FOR RETAIL ACCESS NETWORK INTEGRATION
TRANSMISSION SERVICE**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”) and _____ (“Network Customer”/”Designated Agent”) and _____ (“Eligible Customer”). The Network Customer and Designated Agent are collectively referred to in this Attachment F-1 as “Network Customer.” The eligible retail customer or End-Use Customer with an authorized agency certifies it has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to Retail Access under which the Transmission Provider offers unbundled retail transmission service.
- 2.0 Term of Network Service:
Requested Start Date: _____
Termination Date: _____
- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
MWs of the eligible retail customer or authorized agency’s requirements may originate from firm resources located outside of the Transmission Provider’s Control Area and will be transmitted across the Transmission Provider’s Transmission System from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency Requirements (Network Load plus Losses) will originate from inside the Transmission Provider’s Control Area as designated in Section 4.0. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency.
- 4.0 Network Resources
- (1) Transmission Customer Generation Owned:

(2) Transmission Customer Generation Purchased:

Source	Total Capacity	Capacity Designation as Network Resource
--------	-------------------	---

(3) Total Network Resources: (1)+(2)=

5.0 Transmission Load:

(1) Eligible customer or authorized agency's Network Load: Eligible customer or authorized agency's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible customer or authorized agency's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
----------------------	---------------------------	--------------------

Total Network Load =

6.0 Designation of party subject to reciprocal service obligation: _____

7.0 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.)

(1) Load Ratio Share of Annual Transmission Revenue Requirement.

(2) Facilities Study Charge: _____

(3) Direct Assignment Facilities Charge: _____

(4) Ancillary Services:

(a) Scheduling System, Control and Dispatch Service: _____

(b) Reactive Supply and Voltage Control from Generation Service: _____

(c) Regulation and Frequency Response Service:

(d) Energy Imbalance Service: _____

(e) Operating Reserve - Spinning Reserve Service:

(f) Operating Reserve - Supplemental Reserve Service:

(5) Redispatch Charges: _____

(6) Power Factor Requirements: _____

8.0 Eligible Retail Customer Rights: Native Load import rights to the Transmission Provider released under this Agreement are granted to the eligible retail customer upon whose behalf the Network Customer/Designated Agent may obtain transmission service and will remain with the eligible retail customer. If the eligible retail customer chooses a new Network Customer/Designated Agent, the transmission rights will be transferred to the new Network Customer/Designated Agent on behalf of the eligible retail customer. If the eligible retail customer elects to return to bundled retail electric service, the released rights will revert back to the Native Load for use in service to the bundled retail customer.

Transmission Provider:

By: _____
Name Title Date

Network Customer/Designated Agent:

By: _____
Name Title Date

End-Use Customer/Eligible Customer

By: _____
Name Title Date

Attachment G: Standard Form Of Network Operating Agreement

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**Standard Form Of
Network Operating Agreement**

1. PARTIES

The Parties to this Agreement are NV Energy (“Transmission Provider”), a Nevada corporation, and _____ (“Network Customer”), a [insert legal/corporate description of Network Customer], hereinafter sometimes referred to individually as “Party” and collectively as “Parties”.

2. RECITALS

- 2.1 The Transmission Provider is an investor-owned public utility doing business in the State of Nevada and is subject to the jurisdiction of the Commission with respect to providing transmission service to the Network Customer.
- 2.2 The Network Customer is [insert description of customer]. The Network Customer is an Eligible Customer and has submitted a Completed Application pursuant to the Tariff.
- 2.3 The Parties are entering into this Agreement to specify (i) the terms and conditions under which the Network Customer shall operate its facilities and (ii) the technical and operational matters associated with implementation of Network Integration Transmission Service in accordance with the Tariff.

3. AGREEMENT

In consideration of the premises, covenants, and conditions contained in this Agreement, the Parties agree as follows.

4. TERM AND RELATIONSHIP TO TARIFF

- 4.1 This Agreement shall become effective on the date it is filed with the Commission and shall terminate upon termination of the Service Agreement

- 4.2 This Agreement is entered into in implementation of Network Integration Transmission Service in accordance with the Tariff and the Service Agreement. This Agreement shall neither amend nor supersede the Tariff or Service Agreement. All terms and conditions of the Tariff and the Service Agreement related to Network Integration Transmission Service are incorporated herein by this reference. In the event of any conflict between the terms of the Tariff and the terms of this Agreement, the terms of the Tariff shall govern.

5. DEFINITIONS

- 5.1 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the following meanings:
- 5.1.1 Agreement: This Network Operating Agreement.
- 5.1.2 Tariff: Transmission Provider- FERC Electric Tariff, Volume No. 1, or its successor, as it may be revised from time to time.
- 5.1.3 Transmission Reduction Plan: A plan provided by the Network Customer to the Transmission Provider which directs the systematic adjustment of the Network Customer's transmission capacity to match the Network Customer's available Network Resources in order to maintain system reliability.
- 5.2 When the terms Load Responsibility, Regulating Margin, Most Severe Single Contingency (MSSC), Non-Spinning Reserves, Operating Reserves, and Spinning Reserves are used herein, the WECC definitions of those terms apply.

6. METERING AND COMMUNICATION EQUIPMENT

- 6.1 The Transmission Provider shall install, own, and maintain revenue quality meters at each point of interconnection between the Transmission Provider's

Transmission System and the Network Customer's Network Load and Network Resources. If feasible, such meters shall be installed at the high voltage bus at each point of interconnection between the Network Customer's Network Load and Network Resources and the Transmission Provider's Transmission System. The meters shall measure and record both real power (watts) and reactive power (vars) flow, if applicable, in both directions. Meters not installed at the high voltage bus or at the point of interconnection shall be compensated for line losses and transformation losses to the point of interconnection, if applicable.

- 6.1.1 The Transmission Provider shall read or retrieve meter data at midnight (Pacific Time) on the last day of each calendar month or such other time as may be required to carry out the provisions of the Tariff. The Transmission Provider shall use the meter data for determining energy imbalances, accounting, and billing.
- 6.1.2 The revenue meters shall be tested by the Transmission Provider at least once a year and within ten (10) Working Days after a request by the Network Customer. The Network Customer shall pay for the cost of the requested test if the meter has been tested within the previous twelve months. The Network Customer will be afforded the opportunity to be present during any meter test. The Transmission Provider shall promptly repair, adjust, or replace any meter or associated equipment found to be defective or inaccurate.
- 6.1.3 The Transmission Provider shall adjust the recorded data to compensate for the effect of an inaccurate meter. Such adjustment shall be made for a maximum period of thirty days prior to the date of the test or for the period during which such inaccuracy may be determined to have existed, whichever period is shorter. No adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. Should any meter fail to register, the Transmission Provider shall estimate, from the best information available, the demand created,

energy flow, and var flows during the period of the failure. The Transmission Provider shall, as soon as possible, correct the Network Customer's bills affected by the inaccurate meter. That correction, when made, shall constitute full adjustment of any claim arising out of the inaccurate meter for the period of the correction.

- 6.2 The Network Customer and the Transmission Provider shall install communications facilities, equipment, and software to schedule and monitor Network Load and Network Resources, to exchange data, and for any other purpose as reasonably required to implement this Agreement, the Service Agreement, and the Tariff in accordance with Good Utility Practice. Such installation shall be at the Network Customers expense.
- 6.3 All metering, communications, and data exchanges required to implement this Agreement, the Service Agreement, and the Tariff shall be automated to the greatest extent practical. The Network Operating Committee shall coordinate standards and specifications for metering and communications equipment as well as any related hardware and software required to implement this Agreement, the Service Agreement, and the Tariff, provided such metering and communications equipment and any related hardware and software shall, if possible, be compatible with the Transmission Provider's existing or planned facilities or software, meet all applicable WECC and NERC standards and regional criteria , and be consistent with Good Utility Practice.
- 6.4 The Network Customer shall procure, install and maintain, at its sole expense, all metering for its Network Resources directly connected to its system, communications equipment, and any related hardware and software required to be installed on its system in accordance with this Section 6. The Network Customer shall reimburse the Transmission Provider for all expenses incurred by the Transmission Provider for any metering and communications equipment, and related hardware and software, including any modifications to existing facilities or software required for the Transmission Provider to provide Network

Integration Transmission Service in accordance with this Agreement, the Service Agreement, and the Tariff.

7. QUALIFICATIONS FOR NETWORK RESOURCES

Network resources shall be capable of performing in accordance with applicable NERC and WECC standards and regional criteria and Good Utility Practice. If the Network Customer elects to provide any Ancillary Services using its Network Resources, the Parties shall agree upon any communications, control, protection or other equipment required in accordance with applicable NERC and WECC criteria and Good Utility Practice to be installed on the Network Customer's system or the Transmission Provider's system in order for the Network Customer to provide such Ancillary Services. Any equipment or facilities required for the Network Customer to provide such Ancillary Services shall be procured, installed, and maintained at the Network Customer's sole expense.

8. INTERCONNECTION OF NETWORK RESOURCES OR TRANSMISSION FACILITIES

- 8.1 The Network Customer shall interconnect its Network Resources and its own transmission facilities with the Transmission Provider's Transmission System in accordance with all applicable WECC and NERC standards and regional criteria and Good Utility Practice. The Parties shall agree on facilities and procedures required for such interconnection consistent with applicable NERC and WECC standards and regional criteria, this Agreement, the Tariff, and Good Utility Practice.
- 8.2 The Network Customer, at its sole expense, shall procure, install, and maintain all equipment and facilities on its side of the interconnection. The Transmission Provider shall own, install, and maintain all facilities necessary to interconnect such Network Resource or transmission facility to the Transmission System on the Transmission Provider's side of the interconnection at the Network Customer's sole expense. Such interconnection facilities shall include any equipment

necessary to protect the Transmission Provider's system, including, but not limited to, short circuit protection, breaker closing/reclosing control, loss of synchronism, overcurrent/undercurrent devices such as relays, remote terminal units, circuit breakers, and meters. Such facilities shall meet the Transmission Provider's specifications and shall be subject to inspection and testing by the Transmission Provider.

- 8.3 The Network Customer shall operate its Network Resources and transmission facilities in accordance with any applicable NERC or WECC standards and regional criteria and Good Utility Practice. Such operation includes, but is not limited to, following voltage schedules, free governor response, meeting power factor requirements at the point of interconnection with the Transmission Provider's system, equipment maintenance coordination, and communication of necessary data, information, or reports. The Network Customer shall pay the cost of modification of the Transmission Provider's computer hardware and software to accommodate the Network Customer's Regulating Margin and Operating Reserve requirements. Any resources used by the Network Customer to meet its Regulating Margin and Operating Reserve requirements, whether the Network Customer's Network Resources or a third party's generating resources, shall meet the same requirements as the Transmission Provider's generating resources used to meet the Regulating Margin and Operating Reserve requirements, including but not limited to, automatic generation control capability, ramp rate, and governor response, and are subjected to random testing, and if applicable, a monthly start-up test.

9 INTERCONNECTION OF CUSTOMER LOAD

- 9.1 Facilities for the interconnection of the Network Customer's Network Load to the Transmission Provider's Transmission System shall be installed, operated and maintained in accordance with Good Utility Practice.

- 9.2 The Network Customer desires to receive service as described in the Service Agreement. Any applicable service criteria of the Network Customer, including, but not limited to, any redundancy desired in transmission elements available to serve Network Load from the Transmission Provider's Transmission System shall be specified by the Network Customer. If technically feasible, the Transmission Provider shall provide service as requested in the Service Agreement and in accordance with such criteria, conditioned on the Transmission Provider obtaining any necessary regulatory permits and complying with any other federal, state, or local requirements for the construction of any required facilities.
- 9.3 The Network Customer shall keep the Transmission Provider informed on a timely basis of any changes in its Network Load and its Network Resources as required under the Tariff. The Network Customer shall cooperate in the planning of any addition to or upgrade of interconnection facilities to accommodate Network Load growth or a Network Resource addition.
- 9.4 The Transmission Provider shall own, operate, and maintain all interconnection facilities on the Transmission Provider's side of the interconnection with the Network Customer's Network Load. The Network Customer shall pay all costs and expenses for such interconnection facilities that are used exclusively to provide Network Integration Transmission Service to the Network Customer including, but not limited to, the costs of permitting, planning, procuring, constructing, owning, maintaining, and operating any such facilities.
- 9.5 The Network Customer shall provide and maintain, at its sole expense, facilities on its side of the interconnection in accordance with Good Utility Practice. The Network Customer shall install protective equipment on its system and take any other reasonable measures to protect the safe and reliable operation of the Transmission Provider's system from disturbances on the Network Customer's system in accordance with Good Utility Practice.

- 9.6 The Network Customer shall provide the Transmission Provider access to the Network Customer's interconnection facilities to the extent necessary for the Transmission Provider to construct, operate, or maintain interconnection facilities. The Parties shall cooperate with one another in scheduling maintenance to any interconnection facility or in taking any interconnection facility out of service, provided that in an emergency the Transmission Provider may take facilities out of service if necessary to protect the Transmission Provider's system.
- 9.7 Unless otherwise mutually agreed, each Party shall provide the reactive power requirement of its own electric system, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on the other Party's system.

10. CONTROL AREA REQUIREMENTS AND ANCILLARY SERVICES

- 10.1 The Network Customer shall satisfy its Control Area requirements, including all necessary Ancillary Services, by: (i) operating as a Control Area under applicable guidelines of NERC and WECC; (ii) contracting with the Transmission Provider; (iii) providing such services itself or contracting with a third party in a manner that is consistent with Good Utility Practice and which satisfies applicable NERC and WECC requirements; or (iv) any combination of the above permitted by the Tariff. Additionally, the Network Customer shall provide to the Transmission Provider a Transmission Reduction Plan to facilitate the matching of transmission capacity with the resources available to serve load. The Transmission Reduction Plan shall be provided before service commences and thereafter updated at least annually or whenever the Network Customer revises its designated loads and/or resources.
- 10.2 A Network Customer that arranges to have a third party meet its Operating Reserve requirements shall also meet the requirements of Section 8.3 above. The Operating Reserve requirement for the Network Customer is as specified by the WECC and as implemented by the Transmission Provider. Inasmuch as the

Transmission Provider is obligated to meet the WECC's requirements, as they may be modified from time to time, the Network Customer recognizes and agrees that its Operating Reserve requirement may change to reflect WECC modifications.

- 10.3 In order to facilitate the use of Operating Reserves from outside the Control Area, the Network Customer shall have available unloaded reserved firm transmission capacity at least equal to that Operating Reserve amount. Such transmission may be loaded with interruptible energy so that, upon interruption of the energy, transmission service is available to replace such energy from the Operating Reserves.
- 10.4 The Network Customer shall restore Operating Reserves to the required level within sixty (60) minutes of the event necessitating the loading of the reserve.
- 10.5 If in real time, the Network Customer has not scheduled sufficient resources to match its actual load and the Network Customer is notified by the Control Area operator that its resource shortage is impacting system reliability, the Network Customer shall supplement and/or adjust its scheduled Network Resources within fifteen (15) minutes of such notification by the Control Area operator.
- 10.6 In the event that the Network Customer does not balance its loads and resources as required in Sections 10.4 or 10.5, above, the Control Area operator will initiate the Network Customer's Transmission Reduction Plan as provided pursuant to Section 10.1.

11. NETWORK PLANNING

- 11.1 By January 10 of each year or such other time as the Network Operating Committee may agree, the Network Customer shall provide to the Transmission Provider its load and resource plans pursuant to Sections 29.2 and 35.2 of the Tariff. Such resource plans shall list the Network Customer's existing and planned generating resources, planned transmission facility additions or upgrades,

and expected loads for each of the next ten (10) years or such other period(s) as may be agreed by the Network Operating Committee. The Network Customer shall provide information regarding any planned Network Resource as required by the Tariff, the Network Operating Committee, or the Transmission Provider as reasonably necessary for efficient Transmission System planning.

- 11.2 The Network Operating Committee shall coordinate the maintenance schedules of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. By February 10 of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each of its generating resources for the next year, and the Network Customer shall update the information at least thirty days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to, the expected time the unit will be separated from the system and the time at which the unit is available for (i) parallel operation, (ii) loading, and (iii) if applicable, to be put on automatic generation control.
- 11.3 The Network Customer shall obtain (i) concurrence from the Transmission Provider at least 72 hours before beginning any scheduled maintenance of its facilities and (ii) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a generating resource located within the Transmission Provider's Control Area, a transmission line, or a substation. The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to re-parallelizing the generating resource, transmission line, or substation.

12. SCHEDULING OF NETWORK RESOURCES

- 12.1 The Network Customer shall provide the Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate the Transmission System efficiently.
- 12.2 All schedules from either inside or outside of the Transmission Provider's Control Area shall be in whole megawatts. Forecasts of generation and load from within the Transmission Provider's Control Area shall also be in whole megawatts.
- 12.3 The Network Customer shall notify the Transmission Provider of forecasted Network Load and intended hourly schedules of Network Resources and any economy energy purchases for the next day(s) of operation by voice no later than 10:00 a.m. (Pacific Prevailing Time). No later than 1:00 p.m. (Pacific Prevailing Time), the Network Customer shall transmit all the preschedules and forecasts to the Transmission Provider in a format compatible with the Transmission Provider's energy management system or similar equipment. Such preschedules and forecasts shall include, as applicable:
- (a) each import into or export out of the Transmission Provider's Control Area from Network Resources and economy energy purchases;
 - (b) each power purchase and sale from within the Control Area;
 - (c) losses;
 - (d) generation from each generating resource;
 - (e) Network Load at each point designated in the Service Agreement;
 - (f) regulating margin;
 - (g) spinning and non-spinning reserve from each Network Resource;
 - (h) spinning and non-spinning reserve purchased from the Transmission Provider or from each third party;
 - (i) available capacity from each Network Resource and the Network Customer's MSSC;
 - (j) transmission service associated with each preschedule and forecast;

- (k) incremental cost data for each Network Resource; and
 - (l) any other information as required by the Transmission Provider to schedule the Network Customer's Network Resources in accordance with the Tariff.
- 12.4 The Network Customer shall notify the Transmission Provider of any change to its hourly preschedules made in accordance with Section 12.3 no later than thirty (30) minutes prior to the hour in which the change is to be effective.
- 12.5 Five (5) Working Days before the end of the month, the Network Customer shall provide the Transmission Provider with a forecast for the following month specifying planned purchases, generation, maximum demand, total monthly energy, and operating reserves to be purchased from the Transmission Provider, a third party, or to be supplied by the Network Customer.
- 12.6 The Network Customer shall provide to the Transmission Provider information including, but not limited to, watts, vars, generator status, generator breaker status, generator terminal voltage and high side transfer voltage, unless otherwise agreed.
- 12.7 The Network Customer shall provide generating resource characteristics to the Transmission Provider as necessary to implement redispatch and to facilitate constraint and reserve management.

13. SYSTEM SECURITY

- 13.1 If the Transmission Provider determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential transmission system constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider shall redispatch its resources and the Network Customer's Network Resources on a least-cost basis without regard to the ownership of such resources. The Transmission

Provider shall inform the Network Customer of its redispatch practices and procedures, as they may be modified from time to time.

13.1.1 Incremental cost data submitted in accordance with Section 12.3 shall be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost redispatch for the next day(s) of operation. The Transmission Provider will implement least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider.

13.1.2 If the Network Customer experiences any changes to its incremental costs, the Network Customer must submit those changes to the Transmission Provider. Any redispatch in accordance with this Agreement shall be based on the last incremental cost data received from the Network Customer prior to redispatch and any redispatch cost shall be based on such incremental cost data.

13.1.3 The Network Customer may audit particular redispatch events, at its own expense, during normal business hours following reasonable notice to the Transmission Provider. Either the Network Customer or the Transmission Provider may request an audit of the other Party's incremental cost data by an independent agent at the requester's cost, provided that such independent agent shall not be a buyer, seller, or broker of wholesale energy or an affiliate of such an entity and that such independent agent shall agree to keep such cost data confidential and to use such data solely for the purpose of the audit.

13.1.4 Once redispatch has been implemented, the Transmission Provider shall track the costs incurred by both the Transmission Provider and the Network Customer based on the submitted incremental costs. The Transmission Provider and the Network Customer will each bear a

proportional share of the total redispatch costs based on their then-current Load Ratio Shares. The Transmission Provider will debit or credit the Network Customer's monthly bill as appropriate.

- 13.2 If a system security issue cannot be resolved by redispatch in accordance with Section 13.1, the Network Customer shall curtail its schedules as requested by the Transmission Provider. The Transmission Provider shall curtail, on a non-discriminatory basis, the transaction(s) that effectively relieve the constraint. To the extent practical and consistent with Good Utility Practice, any Curtailment shall be shared by the Transmission Provider and the Network Customer in proportion to their respective Load Ratio Shares.
- 13.3 The Parties shall implement load shedding programs to maintain the reliability and integrity of the Control Area, as provided in Section 33.6 of the Tariff.
 - 13.3.1 Load shedding shall include any combination of the following: (i) automatic load shedding; (ii) manual load shedding; and (iii) rotating interruption of customer load. The Transmission Provider will order load shedding to maintain the relative sizes of load served within the area requiring load shedding, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer.
 - 13.3.2 Automatic load shedding devices will operate without notice. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer's dispatchers or schedulers of the required action and the Network Customer shall comply as directed by the Transmission Provider.
 - 13.3.3 The Network Customer shall, at its own expense, provide, operate, and maintain in service high-speed, digital under-frequency load shedding equipment. The Network Customer's equipment shall be (i) compatible and coordinated with the Transmission Provider's load

shedding equipment and (ii) set for the amount of load to be shed with frequency trips and tripping time as determined by the Transmission Provider. In the event the Transmission Provider modifies the load shedding system, the Network Customer shall, at its own expense, make changes to its equipment and setting of such equipment, as required. The Network Customer shall test and inspect the load shedding equipment within ninety days of taking Network Integration Transmission Service under the Tariff and at least once every two years thereafter and promptly provide a written report to the Transmission Provider of the results of such test. The Transmission Provider may request a test of the load shedding equipment with reasonable notice.

- 13.4 If the Network Customer fails to redispatch or curtail its Network Resources or to shed load in accordance with this Section 13, the Network Customer shall pay the Transmission Provider one hundred mills per kilowatthour (100 mills/kWh) for each kilowatthour of generation or load it failed to redispatch, curtail or shed in addition to penalties outlined in Schedule 4, Energy Imbalance.

14. NETWORK OPERATING COMMITTEE

- 14.1 The Network Operating Committee shall consist of one representative and one alternate from the Network Customer and one representative and one alternate from the Transmission Provider.
- 14.2 The Network Operating Committee shall coordinate operating criteria for the Parties' respective responsibilities under this Agreement.
- 14.3 The Network Operating Committee shall meet at least once a year, or at such other time as the Network Operating Committee may agree, to review the Parties' resource plans, to discuss the availability of transmission service for planned Network Resources, and to discuss the need for any additions to or upgrades of

interconnection facilities in accordance with Section 9 as well as any other matters relating to the provision of Network Integration Transmission Service.

- 14.4 The Network Operating Committee shall not have any authority to (i) modify, amend, terminate, or supersede any provision of this Agreement, the Service Agreement, or the Tariff or (ii) to require any expansion of or addition to the Transmission Provider's Transmission System. The Transmission Provider shall have the authority to adopt rules or procedures for the implementation of this Agreement, the Service Agreement, and the Tariff that are consistent with such agreements and the Tariff, provided that the Network Customer shall not be deemed to have waived any right it may have to contest such rules or procedures before the Commission or any other forum having jurisdiction over this Agreement.

15. REGULATORY AUTHORITY

- 15.1 Nothing contained in this Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, provided that any such change shall be consistent with the Tariff and shall not modify, amend, or supersede any provision of the Tariff.
- 15.2 Nothing contained in this Agreement shall be construed as affecting in any way the ability of the Network Customer to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

16. ASSIGNMENT

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, but shall not be assigned by either Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other.

17. DISPUTE RESOLUTION

Disputes under this Agreement shall be subject to the dispute resolution procedures of Section 12 of the Tariff.

18. NON-DEDICATION OF FACILITIES

An undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to the other Party, or affect the status of that Party as an independent system. Any such undertaking shall cease upon the termination of this Agreement.

19. WAIVERS

Any waiver by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in assessing or enforcing any right, shall not be deemed a waiver of such right.

20. RELATIONSHIP OF PARTIES

The covenants, obligations and liabilities of the Parties are intended to be several and not joint or collective, and nothing herein contained shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually responsible for its own

covenants, obligations, and liabilities as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

21. GOVERNING LAW

This Agreement shall be interpreted, governed by and construed under the laws of the State of Nevada or the laws of the United States as applicable, as if executed and to be performed wholly within the State of Nevada.

22. CAPTIONS AND HEADINGS

All captions and headings appearing in this Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

23. NOTICES

Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated in the Service Agreement for Network Integration Transmission Service.

24. SIGNATURE CLAUSE

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for which they sign.

**NETWORK
CUSTOMER**

**TRANSMISSION
PROVIDER**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date:

**Attachment H:
Annual Transmission Revenue Requirement For Network
Integration Transmission Service**

1. The Demand Charge for purposes of the Network Integration Transmission Service shall be:

\$2.65 per kW/Month
2. The amounts in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.
3. With one exception, transmission services provided pursuant to this Attachment H do not include use by the Transmission Provider of any Transmission service path available to the Transmission Provider under any contract with a Third Party. ** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Attachment H.
4. All quantities used in calculating the Network Customer's Network Load and Transmission Provider's Monthly Transmission System Peak shall be at the transmission system input level, i.e., include the transmission capacity amount associated with any applicable losses.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

Attachment I: Index Of Network Integration Transmission Service Customers

A current listing of Network Integration Transmission Service Customers is posted on the Company's OATi OASIS website in the Open Access Transmission Tariff folder. The OATi OASIS website is located at the following location.

<http://www.oasis.oati.com/NEVP>

Attachment J: Procedures For Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Transmission Loading Relief ("TLR") procedures originally filed March 18, 1998, which are now the mandatory Reliability Standards that address TLR, and any amendments thereto, on file and accepted by the Commission, are hereby incorporated and made part of this tariff. See www.nerc.com for the current version of the NERC's TLR Procedures.

Attachment K: Transmission Planning Process

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I. OVERVIEW OF THE NV ENERGY TRANSMISSION PLANNING PROCESS

NV Energy provides Transmission Service and Interconnection Service under the transmission provider's Open Access Transmission Tariff (OATT) and is engaged in the business of generating, transmitting and distributing electricity in Nevada, and limited transmission in California. NV Energy provides electric transmission and related reliability services under state and federal statutes and regulations. NV Energy's local, regional, and subregional transmission planning processes are based on the following three core objectives:

- Maintain reliable and cost effective electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

NV Energy engages in local, regional and subregional transmission planning processes. NV Energy conducts a series of local open planning meetings at least twice a year to allow anyone, including, but not limited to, Network and Point-to-Point Transmission Customers, Interconnection Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders, input into and participation in all stages of development of the NV Energy local transmission plan.

In addition to their local transmission planning processes, NV Energy coordinates regional and subregional transmission planning with other transmission providers and stakeholders in the Desert Southwest, Northern Nevada and Northern California areas, and the Western Interconnection as a whole, through their active participation in the Southwest Area Transmission (SWAT) planning group, Sierra Subregional Planning Group (SSPG), membership in WestConnect,¹ membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS), and the WECC Planning Coordination Committee.

1. WestConnect was formed under a memorandum of understanding (MOU) among twelve, jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. Under the MOU, the purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market participants and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current FERC jurisdictional transmission utilities who have executed the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Black Hills Power, and Tucson Electric Power Company. Following the last effective date of NV Energy's September 20, 2013 Order No. 1000 compliance filing, the WestConnect Order No. 1000 regional transmission planning management committee will commence the regional transmission planning process under the principles set for in Order No. 890 and carried forward in FERC's Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), et al. (Order No. 1000).

Three subregional planning groups operate within the WestConnect footprint: SWAT, the Colorado Coordinated Planning Group (CCPG), and SSPG. NV Energy participates in the SWAT and SSPG subregional planning groups. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>). NV Energy is a signatory to the WestConnect STP Project Agreement.²

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager (pursuant to the WestConnect STP Project Agreement) formed the WestConnect Planning Management Committee (PMC) to comply with the requirements of Order No. 890, *et. al*, and coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies in the Western Interconnection. NV Energy's participation in a regional planning process is undertaken through WestConnect as further described in Part III of this Attachment K.

2. NV Energy notes that prior to October 11, 2012, the term "Subregional" was used to refer to regional planning, as such term is defined under FERC's Order No. 1000. Following the effective date of NV Energy's Order No. 1000 compliance filing, NV Energy shall use the term regional planning in the same manner used in FERC's Order No. 1000.

II. NV ENERGY'S LOCAL TRANSMISSION PLANNING

A. NV Energy's Local Transmission Planning Process

Participation in the NV Energy's local transmission planning process is open to all affected parties, including, but not limited to, all transmission and interconnection customers, sponsors of transmission solutions, generation solutions, and solutions utilizing demand response resources, state authorities, and other stakeholders.

1. Confidential or Proprietary Information

Where appropriate, NV Energy's local transmission planning studies may include base case data that is WECC proprietary data, data that is classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC), confidential customer specific information, or other information that may be deemed to be confidential.

A stakeholder must hold membership in and/or execute a non-disclosure agreement with WECC in order to have access base case data from WECC, or its successor entity. As appropriate, a stakeholder may obtain local transmission planning information classified as CEII from NV Energy, or other confidential information, upon execution of an appropriate non-disclosure agreement with the transmission provider, as necessary.

2. Types of Planning Studies; Consideration of Public Policy Requirements

- a. Transmission Planning Studies. NV Energy will conduct local reliability planning studies to ensure that all network transmission customers' and NV Energy's retail customers' requirements for planned loads and resources, including demand response resources, or other non-transmission alternatives (as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority) are met for each year of the ten year planning horizon, and that all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the appropriate Balancing Authorities in accordance with NERC and WECC standards and with appropriate subregional transmission planning organizations (SWAT or SSPG).
- b. Economic Planning Studies. Economic planning studies are performed when undertaken as specified in Section II.A.4 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; (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.

NV Energy will perform, or cause to be performed, economic planning studies at the request of a transmission customer or stakeholder. Costs for such studies shall be as set forth in Section II.A.4 of this Attachment K. Economic planning studies performed by NV Energy will utilize the TEPPC public data base.

- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, “Public Policy Requirements” means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable are incorporated into the load forecasts and/or are modeled in the local planning studies. For example, Transmission Provider incorporates Public Policy Requirements in accordance with Nevada’s renewable portfolio standards and integrated resource planning requirements in its transmission planning analysis. Proposed public policy (public policy proposed before a governmental authority, but not yet enacted) may be studied through the planning analysis, if time and resources permit.
3. NV Energy’s Local Transmission Planning Study Process
 - a. Transmission Plan Needs Assessment. NV Energy’s local transmission planning process consists of an assessment of the following needs:
 - i. Provision of adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads and satisfy Public Policy Requirements.
 - ii. Where feasible, identify alternatives such as demand response resources, or other non-transmission alternatives as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority, that could meet or mitigate the need for transmission additions or upgrades.
 - iii. Support of the NV Energy local transmission and sub-transmission systems.
 - iv. Provision for the interconnection of new generation resources.
 - v. Reflect the impact of any demand response resources.
 - vi. Coordinate new interconnections with other transmission systems.
 - vii. Accommodate requests for long-term transmission access.
 - viii. Consideration of local transmission needs driven by Public Policy Requirements.
 - b. NV Energy’s Local Transmission Planning Cycle
 - i. Planning Cycle. NV Energy conducts local transmission planning on a three year cycle for a twenty year planning horizon in accordance with the Twenty Year “Integrated Resource Plan” Process described in (3.b.ii) below.
 - ii. Triennial Twenty Year Plan. NV Energy updates its local twenty year plan every three years and amends the plan as necessary during the

intervening period. The Integrated Resource Plan (IRP) is filed with the Public Utilities Commission of Nevada (PUCN). NV Energy's resource plans and amendments are available on the PUCN web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).

- iii. NV Energy works with and provides data to the Nevada State Office of Energy (NSOE) which publishes an annual report called the "Status of Energy in Nevada".³ This report is available on NSOE web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).
- c. Transmission Customer's Responsibility for Providing Data
- i. Use of Customer Data. NV Energy uses information provided by their transmission customers to, among other things, assess network load and resource projections (including demand response resources), transmission needs, operating dates and retirements for generation resources on the Operating Companies' Transmission Systems, and to update regional models used to conduct planning studies.
 - ii. Submission of Data by Network Transmission Customers. As required pursuant to NV Energy's OATT, network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to the transmission provider, on an annual basis. This information *must* be submitted electronically by network transmission customers to the NV Energy contact person as identified on the NV Energy web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>) by September 1 each year.
 - iii. Submission of Data by Other Customers. To maximize the effectiveness of the NV Energy's local planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the NV Energy transmission planning process. This information must be submitted electronically by transmission customers to the NV Energy contact person as identified on the NV Energy web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>) by September 1 each year in order to be included in the planning process for the transmission plan that NV Energy submit to the PUCN.
 - iv. Types of Transmission Customer Data. To the maximum extent practical and consistent with protection of proprietary information, data submitted by

3. The NSOE's annual "Status of Energy in Nevada" process evaluates the transmission providers' filed twenty year plans, changes in system from the previous year, and other study reports on an annual basis.

Network Transmission Customers and other Transmission Customers should include for the ten year planning horizon:

- (a) Generators - planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
 - (b) Demand response resources - existing and planned demand resources and their impacts on demand and peak demand.
 - (c) Network Customers - forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
 - (d) Point-to-Point Transmission Customers - projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- v. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to NV Energy of material changes in any of the information previously provided to NV Energy related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect the NV Energy's ability to provide service.
- d. Stakeholder Participation in NV Energy's Local Transmission Planning Study Process
- i. In its 2nd Quarter public planning meeting, NV Energy will (a) review its current local transmission study plan with transmission customers and stakeholders; (b) provide an opportunity for transmission customers to update the loads, resources (including demand response resources), and other data submitted by September 1 of the prior year (see Section II.A.3.c); (c) provide an opportunity for stakeholder input on any aspect of its transmission study plan including, but not limited to, methodology, study inputs, Public Policy Requirements, and potential stakeholder-suggested transmission needs driven by Public Policy Requirements, and study results; (d) review any stakeholder proposals previously submitted to NV Energy for study plan alternatives; (e) provide an opportunity for the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on NV Energy's planned transmission projects.

After the 2nd Quarter public meeting, but not less than thirty (30) days before the 4th Quarter meeting, NV Energy will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

- ii. In its 4th Quarter public planning meeting, NV Energy will present a draft of its Ten Year Transmission Plan for the following calendar year for stakeholder review and comments.
- iii. This schedule may be modified to coordinate with subregional and regional transmission planning processes, subject to updated postings on NV Energy's OASIS website.
- e. Coordination of NV Energy's Study Cycle with SWAT and SSPG Study Cycles. NV Energy will coordinate the timing of its local transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT and SSPG planning groups, which is open to participation by all interested parties.
- f. NV Energy's Point of Contact for Questions on NV Energy's Local Transmission Planning Study Process. NV Energy will identify a Point of Contact on its OASIS to respond to transmission customer and stakeholder questions regarding transmission planning modeling, criteria, assumptions and data underlying system plans (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).
- g. NV Energy's Local Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to NV Energy's Local Transmission Planning Process and Guidelines for NV Energy's transmission planning criteria, guidelines, assumptions and data. The Planning Guidelines are posted on the NV Energy OASIS (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>**Error! Hyperlink reference not valid.**).
- h. Comparability - NV Energy and Stakeholder Alternative Solutions Evaluation Basis. NV Energy's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section II.A of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by NV Energy or another stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local

integrated resource planning requirements or regulatory requirements, including cost recovery through regulated rates.

4. Local Economic Planning Study Requests

- a. Requesting Local Economic Planning Studies. Any of NV Energy's customers or other stakeholders ("Requester"), including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, may submit a study request for a local economic planning study directly to NV Energy. The Requester must submit its study request(s) no later than September 30 of each year if it wishes NV Energy to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. NV Energy requires that study request(s) be submitted electronically to transmission@nvenergy.com.
- i. Factors Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. NV Energy shall consider the following criteria to determine whether a local economic planning study request is a Priority Request:
 - (a) What portion of NV Energy local transmission system will be under consideration in the study?
 - (b) Does the request raise fundamental design issues of interest to multiple parties?
 - (c) Does the request raise policy issues of national, regional or state interest, e.g., with respect to access to renewable power, and location of both conventional and renewable resources?
 - (d) Can the objectives of the study be met by other studies?
 - (e) Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
 - (f) Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?
 - (g) Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
 - (h) 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?
- ii. Economic Transmission Planning Study Requests Determined to be a Local Priority
 - (a) If NV Energy determines that the study request is a local priority request, NV Energy will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as

appropriate. NV Energy will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a priority local economic planning study.

- (b) If NV Energy receives more than three requests for local economic studies that are determined to be priority local requests in the calendar year, it may perform one or more additional studies at its sole discretion. If NV Energy elects not to perform such an additional study, the Requester may request, and NV Energy will provide, assistance in having a third party perform the local economic planning study at the Requester's expense.
- iii. Non Priority Local Economic Study Requests. If NV Energy, after reviewing through an open stakeholder process, that the requested local economic planning study is not a priority study, the Requester may request NV Energy's assistance in having a third party perform the economic planning analysis at the Requester's expense.
- b. Clustering Local Priority Economic Planning Studies. NV Energy may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that NV Energy study its request together with other requests. NV Energy will combine such studies deemed appropriate.
 - i. Proposed Clusters. In the event that NV Energy proposes to cluster certain studies, they shall provide notice to each Requester to be included in the cluster study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from NV Energy. If a Requester opts out of a proposed cluster, the Requester will be responsible for all study costs and such study will be treated as a normal non-clustered project in the order in which it was requested.
 - ii. Requester-Proposed Clusters. If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to NV Energy, 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. NV Energy will reasonably determine whether the economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. NV Energy reserves the right to reject a customer-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group, is not likely to provide a result significantly different than separate studies or if

the proposed clustering impairs administration or timely processing of the economic study process. The Transmission Provider 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.

If study requests are combined, the study costs will be allocated equally among the combined Requesters.

- c. Process for Handling Economic Transmission Planning Study Requests by NV Energy. If an economic planning study request is not a local economic study request, *i.e.*, is either regional or interregional, the NV Energy Inc. Operating Companies shall forward the request to WestConnect or TEPPC, as appropriate. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website.
- d. Cost Responsibility for Local Economic Planning Studies
 - i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4., including clustered priority local economic planning studies selected pursuant to Section II.A.4., will be performed or caused to be performed by NV Energy, at NV Energy's expense, and will recover the costs of such studies through its transmission rates.
 - ii. Priority Regional Economic Planning Studies. Regional economic studies will be performed by WestConnect as discussed in Part III of this Attachment K.
 - iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4 may be performed at the Requester's expense. NV Energy, at its discretion, may perform the study work, but undertake no obligation to do so, or work with the Requester and its third party contractor as specified by the Requester.
 - iv. If not a Local Economic Priority Study, NV Energy will assign the cost of producing the clustered economic planning study, including any third-party study work required by NV Energy, on an equal basis to each Requester participating in that study.
- g. Exchange of Data Unique to Economic Planning Studies
 - i. NV Energy obtains data used for economic planning studies from the TEPPC data base.
 - ii. Requester's request for detailed base case data must be submitted to WECC, or its successor organization, in accordance with its procedures.
 - iii. Requester's request for economic planning studies and responses to such requests shall be posted on the NV Energy OASIS (see the Attachment K

Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>) subject to confidentiality requirements.

- h. NV Energy Point of Contact for Study Requests. NV Energy has identified a contract person on the NVE OASIS web site to respond to Requester questions regarding modeling, criteria, assumptions, and data underlying transmission system plans. See the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).

B. NV Energy Stakeholder/Open Public Meeting Process for Local Transmission Planning

NV Energy will hold at least two open public local transmission planning meetings a year that will allow and promote customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of NV Energy's transmission plans. One of the two meetings will be held during the 4th Quarter and NV Energy, along with customers and stakeholders will review the economic study requests that were submitted by September 30th of that year.

1. Purpose and Scope

These public meetings will provide an open and transparent forum whereby electric transmission stakeholders can comment and provide advice to NV Energy during all stages, including the early stages, of their transmission planning. These public transmission planning meetings will serve to:

- a. Provide a forum for open and transparent communications among the state's transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
- b. Promote discussion of all aspects of NV Energy's transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for NV Energy to understand better the specific electric transmission interests of key stakeholders.

2. Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. Planning Meeting Schedule. NV Energy will establish their public planning meeting schedule as needed, but no less than twice annually.
- c. Meeting Purpose. Meetings will be conducted to (i) allow the NV Energy to maximize their understanding of their customers' forecasted needs for NV Energy's transmission systems; (ii) offer transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, NV Energy's transmission systems and planning process, as well as to propose alternatives for any upgrades identified by NV Energy; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, NV Energy anticipates that much of their local transmission planning process will be conducted and coordinated through the SWAT or SSPG subregional planning groups. NV Energy will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below.
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NV Energy OASIS web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>), at least two weeks prior to the meeting. NV Energy will establish their public planning meeting schedule as needed, but no less than twice annually.

- f. Meeting Agendas. The agendas for NV Energy's public planning meetings will be sufficiently detailed, posted on the NV Energy OASIS web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>), and circulated to its distribution list in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- g. NV Energy's Distribution List. All existing NV Energy's Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on NV Energy's distribution list and notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the NV Energy's email distribution list should contact the NV Energy contact person as identified on the NV Energy OASIS web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>). It is the responsibility of the customers and stakeholders to provide NV Energy with current contact information, including email addresses.
- h. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via NV Energy's contact person as identified on the NV Energy OASIS web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).
- i. Local Public Planning Meeting Schedule.
 - i. At the 2nd Quarter public planning meetings, NV Energy will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the NVE 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in NVE's draft transmission study plan. NV Energy may solicit information on load resources and other needs from customers and stakeholders for the preparation of the draft study plan.
 - ii. At the 4th Quarter public planning meetings, NV Energy will review economic planning study requests received by September 30 (see Section II.A.4.a) and present a draft of its Ten Year Transmission Plan for stakeholder review and comment.
 - iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to updated postings on the NV Energy OASIS (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).
- j. Posting of Meeting Documents. NV Energy will post all meeting-related notes, documents and draft or final reports on the NV Energy OASIS web site (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).

- k. Posting of Public Documents. Public information will be posted on the NV Energy OASIS websites.

C. Planning for Public Policy Requirements in the Local Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting NV Energy's point of contact at transmission@nvenergy.com. In addition, stakeholders have the opportunity to offer input or make proposals at NV Energy's open meetings held pursuant to this Attachment K.

The process by which NV Energy is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the NV Energy dedicated email address, through which a stakeholder desiring to communicate directly with NV Energy transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in NV Energy's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, NV Energy is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

NV Energy is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if NV Energy chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, NV Energy will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. NV Energy's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, NV Energy is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in NV Energy's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by NV Energy for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, NV Energy is to determine whether to select a particular local solution in its local transmission plan. NV Energy will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

3. Posting of Public Policy Needs

NV Energy will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

D. Ten or Twenty Year Transmission System Plan

Each year NV Energy uses the planning process described in Section II. A above to complete an informal update of their local transmission plan (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>). Every three years the planning process will be used to develop the Integrated Resource Plan (IRP) filing with the PUCN. The Ten or Twenty Year Transmission System Plan identifies all new transmission

facilities, 115 kV and above (as applicable), and all facility replacements and/or upgrades required over the next ten or twenty years to reliably and economically meet customers' needs. The primary focus of the plan is a three year action plan which covers the next three years in detail.

E. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization

As a member of WECC, NV Energy participates in the WECC transmission planning process and coordinates with WECC with respect to reliability planning.

1. WECC Coordination Of Reliability Planning

- a. WECC develops the Western Interconnection-wide data bases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies.
- 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, or mitigate, adverse reliability effect on existing projects.

F. Cost Allocation For New Projects

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

i. Solicitation of Interest

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

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

ii. 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 wholly within NV Energy'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. NV Energy's Rate Recovery

Notwithstanding the foregoing provisions, NV Energy 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.

iii. Exclusions

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

III. WESTCONNECT ORDER NO. 1000 REGIONAL TRANSMISSION PLANNING PROCESS

A. Overview

NV Energy participates in the WestConnect regional transmission planning process (“Regional Planning Process”) established to address the transmission planning principles set forth in Order No. 890 and carried forward in FERC’s Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

The purpose of the Regional Planning Process is to produce a regional transmission plan (“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 (“WestConnect Business Practice Manual”), as may be amended from time to time, available on the WestConnect website.

The WestConnect Planning Region is defined by the transmission owners and transmission provider members (referred to generally as “transmission owners”) participating in the Regional Planning Process and for whom WestConnect is conducting regional planning. The service areas of the transmission owners and providers consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas, and Wyoming.

Following the effective date of NV Energy’s September 20, 2013 Order No. 1000 compliance filing (“Effective Date”), the WestConnect Order No. 1000 regional transmission planning management committee (PMC) will commence the Regional Planning Process. This committee will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect’s intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect’s compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the WestConnect Order 1000 regional transmission planning process. Although, the WestConnect Regional Planning Process is open to the public, any participant/stakeholder interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC will implement a stakeholder developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

NV Energy is currently party to the WestConnect Subregional Transmission Planning Project Agreement (“WestConnect STP Project Agreement”) (see the [Attachment K Hyperlinks List](#) in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>) and is actively engaged in the SWAT and SSPG planning groups. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC’s decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the member’ relationships and establishes obligations, including transmission owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and produce a Regional Plan.

2. Members

WestConnect has two types of members: (i) transmission owners that enroll in the WestConnect Planning Region in order to comply with Order 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 in to 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 Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions, as outlined in such agreement.

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.

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 their withdrawal being considered official.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tucson Electric Power Company
- UNS Electric, Inc

B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning

The Regional Planning Process will produce a regional transmission plan that complies with existing Order No. 890 principles and carried forward in FERC's Order No. 1000:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, NV Energy along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plans into a single ten year regional transmission plan for the WestConnect footprint by:

- a. Actively coordinating development of the regional transmission 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 where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website.

C. Roles in the Regional Transmission Planning Process

1. PMC Role

The PMC is responsible for bringing regional transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, transmission owners, and other interested stakeholders, the PMC shall develop the Regional Transmission Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop 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 WestConnect regional transmission plan. The PMC shall be comprised of representatives from each stakeholder sector. The PMC shall be 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 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 members shall assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites.

(See the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>). All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle shall 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 also 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 WestConnect transmission planning process.

4. Stakeholder Meetings

WestConnect shall 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 WestConnect regional transmission plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings shall be posted on the WestConnect website and via email to the WestConnect Regional Planning Process email distribution list.⁴

The meeting agendas for all WestConnect planning meetings shall be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Regional Planning Process Governance

a. Membership Sectors

The Regional Planning Process shall be governed by the PMC, which shall be tasked with executing the WestConnect regional transmission planning process and shall have authority for approving the regional transmission plan. The PMC shall be comprised of five stakeholder sectors:

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligation sector, any entity may join any membership sector for which it qualifies but may only participate in one membership sector. Only transmission owners with load serving obligations 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 compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

b. Planning Management Committee

The PMC shall be 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 is to manage the Regional Planning Process, including approval of the Regional Plan that

4. The WestConnect website is located at <http://www.westconnect.com>.

includes application of regional cost allocation methodologies. The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the 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 is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

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

- 75% of the members voting of at least three sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector; or
- 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's) 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, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

D. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study (ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in this Attachment K.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the WestConnect process to submit data directly to the WestConnect stakeholder process. This data may include, but is not limited to load forecasts, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days' notice shall be given for customers to submit any required data and data submissions shall 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 projects 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 shall include a submission period for projects as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the regional planning process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by 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.

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 purposes. Nonetheless, coordination between merchant projects and the regional transmission planning process is necessary to effect a coordinated regional transmission plan that considers all system needs.

Each regional transmission planning cycle shall include a submission period for project submittals to address an identified regional need, as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be 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 shall last 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 shall be 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 Obligation

Transmission owners that are members of the WestConnect 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 transmission plan to address an identified regional need in accordance with the Section below. Transmission owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the WestConnect Regional Plan models, but such submittals shall not constitute an obligation or proposal to build, but shall be submitted for informational and studying purposes only.

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 a project submittal to be eligible for evaluation in the

Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above.

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project

proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and 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). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be 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, WestConnect will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the 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-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or 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.D.5, those who submit under Section III.D.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. 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.

E. 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 governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has

constructed, owned, operated and/or maintained, and the states in which such projects are located.

b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity (ies) under Section III.E.2.a. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.E.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:

- o Funds from operations-to-interest coverage.
- o Funds from operation-to-total debt.
- o Total debt-to-total capital.
- o The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and program execution.

i) Transmission Operations

The applicant must: demonstrate that it has control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

j) Transmission Maintenance

The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a

NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

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, environmental standards, and applicable local, state, and federal permitting requirements.

l) Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity (ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity (ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity (ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity (ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity (ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity (ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity (ies) to satisfy.

m) WestConnect Membership

A transmission developer must be a member of either the WestConnect 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 agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n) Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency (ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer’s eligibility status until any deficiency in the transmission developer’s qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer’s eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer’s status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4)

informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

F. 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 will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.D addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.E addressing the use of production cost modeling for regional economic projects, and Section III.F addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to 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 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

NV Energy encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

G. WestConnect Reliability Planning Process

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

The PMC will identify 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, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as project feasibility, 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, may identify more efficient or cost effective regional transmission projects.

H. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also shall utilize 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

will identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost effective.

I. WestConnect Public Policy Planning Process

1. 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 is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the

PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue..

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

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that

were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified 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.

3. 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.I. (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

4. Posting of Public Policy Needs

WestConnect will maintain 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.

J. Consideration of Non-Transmission Alternatives

Non-transmission alternatives will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

K. Approval of the WestConnect Regional Plan

Upon completion of the studies and stakeholder input, the PMC will vote to approve the Regional Plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of 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.

L. Reevaluation of the WestConnect Regional Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if 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. 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:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
 - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.
 - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability

Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.

- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
 - All local, state and federal siting permits have been approved; and
 - Major construction contracts have been issued.
- When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission owners' transmission planning (TPL) assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of the transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

M. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, 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 (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com. The NDA can be accessed on the WestConnect website.

N. Cost Allocation

a. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation. A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. Otherwise, A Local Transmission Project that is not submitted and **or not** selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

For any transmission project where NV Energy is the sole owner or such project is to be built within or for the benefit of the existing NV Energy' system such as local, small and/or reliability transmission projects, NV Energy shall proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provides economic benefits to NV Energy's system and which fall outside the

requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

NV Energy may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

b. Regional Allocation of Costs

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 enrolled in the WestConnect Planning Region, as identified in this Attachment K. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation..

The PMC, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the region (see III.A.2.c) is an identified beneficiary, the project is not eligible for regional cost allocation.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities outside the region 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. NV Energy 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:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to enrolled transmission owners for system reliability improvements that are necessary for their system 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.

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 III.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 enrolled utilities 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:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant enrolled transmission owner's retail distribution service territory or footprint

B is the total cost of local reliability upgrades in the combination of enrolled transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

C is the total cost of the regional reliability project

D is the total cost allocated to the relevant enrolled 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 enrolled 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 enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
 - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
 - Company 1 allocation: $90/150 (100) = \$60$ million
 - Company 1 B/C ratio: $90/60 = 1.5$
 - Company 2 allocation: $60/150 (100) = \$40$ million
 - Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.L 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 to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion.

Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC in identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.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:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the total projected present value of economic benefits for the relevant enrolled transmission owner

B is the total projected present value of economic benefits for the entire project

C is the total cost of the economic project

D is the total cost allocated to the relevant enrolled transmission owner

Any enrolled 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 enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements, 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 shall 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 is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the regional 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:
(A divided by B) times C equals D

Where:

A is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

B is the total number of megawatts of public policy resources enabled by the public policy project

C is the total project cost

D 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 of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet public policy requirements 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 and 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 is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered..

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 benefits.

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 enrolled 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 enrolled 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 may seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such a 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 nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.B.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, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer may recover project costs from identified beneficiaries enrolled 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 choosing a developer for, or 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 progress 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.

O. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the 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, (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation, (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation, or (5) 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.

P. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section III.N.b 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 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.L of this Attachment K; (2) the right and obligation of a Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under Section 205 or other applicable 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.⁵

⁵ An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section III.N.b.5. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under

Q. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study 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 is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section III of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

IV. RECOVERY OF PLANNING COSTS

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the OATT, all costs incurred by the Transmission Provider related to the local

section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled 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.

transmission plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

V. DISPUTE RESOLUTION PROCEDURES

For purposes of NV Energy's transmission planning processes, NV Energy and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment K:

1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (see the Attachment K Hyperlinks List in the OATT section of the NV Energy OASIS @ <http://www.oasis.oati.com/NVE>).
2. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of NV Energy's OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).
3. Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

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

A. The disputing PMC member(s) must initiate 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.

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

C. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC

member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment K or between members of the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

VI. INTERREGIONAL PLANNING

This Part VI of Attachment K to the OATT sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Part VI of Attachment K to the OATT in accordance with the provisions of this Part VI and the other provisions of this Attachment K to the OATT.

Nothing in this part will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this part to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms were used in this Part VI of Attachment K, are defined as follows:

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

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

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

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VI, which relates to Order 1000 interregional provisions.

Planning Region: means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VI.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any

other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect or any of the members of 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.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VI.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 VI.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 VI.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 VI.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VI.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VI.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VI.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 VI.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VI.F.2 below) to each Relevant Planning Region using the methodology described in this Section VI.E.2.

For each ITP that meets the requirements of Section VI.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 VI.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what

its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VI.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VI.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VI.E.2(d), VI.E.2(e), and VI.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Attachment L: Creditworthiness Procedures

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I. PURPOSE

To ensure that Transmission Customers, Network Customers and Interconnection Customers (Customer) are able meet their service-related financial obligations, the Transmission Provider will apply reasonable credit review procedures and require appropriate security before providing service to Customers. This policy establishes credit standards for Customers who request services under the Transmission Provider Open Access Transmission Tariff (“OATT”) and is intended to mitigate the Transmission Provider’s exposure to financial risk of Customer’s non-payment, late payment or refusal to take service.

II. SUMMARY

The credit review will be conducted in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit granted to the customer. The Transmission Provider may require Customer to provide and maintain in effect during the term of service an Irrevocable Standby Letter of Credit (L/C) or other form of security acceptable to Transmission Provider.

III. SCOPE

This policy applies to all Customers seeking service under the Transmission Provider’s OATT. These services include, but are not limited to the following:

- Large Generator Interconnection
- Small Generator Interconnection
- Point-to-Point Firm Transmission Service (Long and Short term)
- Point-to-Point Non-Firm Transmission Service
- Network Integration Transmission Service
- Retail Access Transmission Service
- Ancillary Services

IV. ELIGIBILITY FOR UNSECURED CREDIT

Customers in default to the Transmission Provider, who have previously defaulted on obligations to Transmission Provider, or who are in bankruptcy/reorganization do not qualify for unsecured credit under this policy. Existing Customers will be granted an interim credit status based on historical payment practices, current and prior credit reviews and/or currently existing L/Cs that meet the Transmission Provider's minimum standards.

Requests for Short-Term Point-to-Point service under umbrella agreements will be evaluated on a case by case basis and may require a deposit before any transactions take place.

Unsecured credit will not be granted for generator interconnection or transmission service requests that require the Transmission Provider to expend funds to construct transmission facilities.

V. REQUIREMENTS FOR UNSECURED CREDIT

Customers seeking unsecured credit are required to provide all of the following:

- Rating agency reports (if applicable).
- Two most recent audited year-end financial statements plus, if available, the most recent quarterly financial statement on a going-forward basis.
- Documentation of any material issues that could impact the creditworthiness of the Customer.
- Demonstration by Customer of its strong financial standing as a stand alone entity or, if applicable, the strong financial standing of its members to whom the Customer must have financial recourse.
- Proof of access to internal or external financial resources that provide sufficient liquidity to support existing and proposed obligations.

VI. CREDITWORTHINESS CRITERIA

The Transmission Provider will determine creditworthiness based on a combination of both quantitative and qualitative factors.

VII. MINIMUM QUANTITATIVE STANDARDS FOR NON-GOVERNMENTAL CUSTOMERS

If rated, Customer must possess a senior unsecured debt rating or equivalent rating by Standard and Poor's of BBB-, a Moody's of Baa3, or a Fitch of BBB-. Transmission Provider will use the lesser of the ratings if split.

If not rated, Customer must meet the following minimum financial ratios:

- Have Earnings Before Interest and Taxes (EBIT) coverage greater than 1.5 times interest expense and
- Have Total Debt Capitalization Ratio less than 70% and
- Have Cash Flow From Operations to Total Debt (includes short term debt, long term debt, current portion of long-term debt and off-balance sheet operating lease obligations) greater than 10%.

All of the above calculations must be based on audited financial information.

Transmission Provider may require existing Customers to resubmit updated financial information annually and will require updated financial information whenever Customer's financial condition changes. Failure to comply with Transmission Provider's requests for updated financials shall be treated as an Event of Default under the applicable Tariff or Agreement. Upon notifying the Customer that they are in default, Transmission Provider may file with FERC to terminate the service agreement with the Customer.

VIII. MINIMUM QUANTITATIVE STANDARDS FOR GOVERNMENTAL CUSTOMERS

Federal government agencies financial obligations must be backed by the full faith and credit of the United States. State government agencies financial obligations must be backed by the full faith and credit of the State.

A governmental entity whose obligations are not backed by the full faith and credit of the United States or a state must establish that it has the legal authority and the demonstrated ability to increase customer utility rates or other rates or to increase taxes.

IX. QUALITATIVE CREDIT STANDARDS FOR ALL CUSTOMERS

Transmission Provider will consider qualitative factors in conjunction with the quantitative factors above. The following are some of the factors considered:

- Years in business: a Customer in business fewer than five years will be considered as having greater risk.
- Management's experience in the industry: a management team with an average of less than five year's experience will be considered as having greater risk.
- Market risk: consideration of pricing exposure, credit exposures, and operational exposures.
- Litigation Risk: a pending legal action with potential monetary damages approaching 3% of gross revenues will be considered as significantly increasing Customer risk.
- Regulatory Environment (State and Local): a company subject to significant exposure to regulatory decisions, such as key planning decisions, shall be considered as having increased risk.
- Prior payment history with the Transmission Provider, other Transmission Providers or other vendors: a Customer with an excellent payment history of greater than or equal to five years shall be considered a lower risk in this category.
- Prior payment history with other Transmission Providers or other vendors: a company with an excellent payment history of greater than or equal to five years shall be considered a good result in this category.

Customers that do not meet the above criteria will not be granted unsecured credit and may be given the option to post collateral acceptable to the Transmission Provider. Customers will be provided a written explanation of the methodology used.

X. ACCEPTABLE COLLATERAL

- The Transmission Provider prefers an L/C from an American A rated banking institution equal to amounts established pursuant to Section 27 of the Transmission Provider's OATT, Section 11.5 of the LGIA or Section 6.3 of the SGIA, as applicable.
- The Transmission Provider will require a cash deposit or L/C in the amounts set forth in Section 17.3 (Firm Point-to-Point Transmission Service), Section 29.2 (Network Integration Transmission Service) or Section 36.6, as applicable. The cash deposit will be retained for a minimum of thirty (30) days beyond the term of service; however, at the conclusion of twelve (12) months' timely payment history, a Customer's deposit will be returned by the end of the thirteenth (13) month. At the conclusion of twelve (12) months' timely payment history the L/C will be released by the end of the thirteenth (13) month.

XI. CREDITWORTHINESS PROCEDURES

1. Secured and unsecured credit limits will be determined by the Transmission Provider using the Customer information provided and this Credit Policy.
2. Acceptable forms of security include an L/C as described above or a cash security deposit.
3. When credit levels and collateral requirements change the Transmission Provider will determine the amount of the change.
4. Any changes determined in Procedure 3 above will be communicated to the Customer by email, or letter via the U.S. Postal Service or fax.
5. Customers may contest the determination of credit levels or collateral amounts within ten days of notification.
6. After the Customer has been notified of a revised credit determination, it will be granted thirty days to post additional collateral required by the Transmission Provider or to cure any non-creditworthy determination.

Attachment M: Distribution Loss Factor

The Distribution Loss Factors (“DLFs”) are a set of factors that when multiplied by distribution level end-use meter measurements, provides an estimate of the load at the corresponding Transmission Provider/UDC interface (grid level). DLFs apply only to Retail Access Transmission Service. There are three (3) DLFs that correspond to distribution voltage classifications:

1. High voltage distribution (greater than 24.9 kV),
2. Primary voltage distribution (2.4 kV-24.9 kV), and
3. Secondary voltage distribution (at or below 600 volts).

In equation form, this is shown as,

$$E_{grid} = (1 + DLF_{aggregate}) * E_{dist\ meter}$$

where E_{grid} represents an energy measurement at the corresponding Transmission Provider/UDC grid interface and $E_{dist\ meter}$ represents a distribution level end-use meter measurement.

$DLF_{aggregate}$ is determined based on the service level voltage as illustrated below:

High Voltage Distribution Service: $DLF_{aggregate} = DLF_{HVD}$

Primary Voltage Distribution Service: $DLF_{aggregate} = DLF_{HVD} + DLF_{PVD}$

Secondary Voltage Distribution Service:

$$DLF_{aggregate} = DLF_{HVD} + DLF_{PVD} + DLF_{SVD}$$

High Voltage Distribution Loss Factor (DLF_{HVD})

The DLF_{HVD} represents the losses that occur when power flows through the high voltage wires and transformers that are modeled in the detailed WECC transmission power flows but which have been reclassified as distribution facilities. The DLF_{HVD} for Northern Nevada is 1.33%, and the DLF_{HVD} for Southern Nevada is 0.68%.

Primary Voltage Distribution Loss Factor (DLF_{PVD})

The DLF_{PVD} represents the losses that occur when power flows through the substation transformers and the primary distribution feeder wires to the primary bushings of the distribution transformers or to the end-use meter, if applicable. The DLF_{PVD} for Northern Nevada is 3.32%, and the DLF_{PVD} for Southern Nevada is 1.67%.

Secondary Voltage Distribution Loss Factor (DLF_{SVD})

The DLF_{SVD} represents the losses that occur when power flows through the distribution transformers and the secondary voltage wires to the end-use meter. The DLF_{SVD} for Northern Nevada is 1.17%, and the DLF_{SVD} for Southern Nevada is 1.41%.

Attachment N

Standard Large Generator Interconnection Procedures (LGIP)

including

Standard Large Generator Interconnection Agreement (LGIA)

Standard Large Generator Interconnection Procedures (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

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Large Generator Interconnection Procedures (LGIP)

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Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Bureau of Land Management (BLM) shall mean the U.S. Department of the Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

BLM Land shall mean federal public lands managed by the Bureau of Land Management or its successor agency.

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 Completed Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Completed Interconnection Request shall mean an Interconnection Customer's request that has met all requirements to complete and completed the Pre-Application Process as set forth in Section 3 of the LGIP, to interconnect a new Generating Facility, increasing the capacity of, or making a Material Modification to the operating characteristics of an existing Generating Facility.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Completed 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 Completed Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the: (1) cost or timing of any Pre-Application Request with a later Pre-Application Number or (2) cost or timing of any Completed Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Pre-Application Meeting shall mean the meeting held between the Transmission Provider and the Interconnection Customer during the Pre-Application Process in order to process the Pre-Application Request, to discuss any potential siting impediments or timelines associated with an Interconnection Customer's Pre-Application Request, and to create a Preliminary Plan of Development (if necessary) for the Interconnection Customer's Pre-Application Request.

Pre-Application Number shall mean the number given to the Interconnection Customer upon receipt of a Pre-Application Request by the Transmission Provider. The Pre-Application Number shall be time- and date stamped and Pre-Application Requests will be processed in order of Pre-Application Number.

Pre-Application Process shall mean the activities required prior to the Interconnection Customer entering the Interconnection Queue, as further set forth in Section 3 of this Large Generator Interconnection Procedures. The Pre-Application Process shall apply to a new Interconnection Customer request 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.

Pre-Application Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Preliminary Plan of Development (PPOD) shall mean the plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants for Interconnection Facilities or Network Upgrades, Distribution Upgrades, System Protection Facilities or Affected System facilities needed to accommodate the Interconnection Customer's Pre-Application Request, which are to be sited, all or partially, on BLM lands.

Queue Position shall mean the order of a Completed Interconnection Request, relative to all other pending, Completed Interconnection Requests, that is established based upon the date and time of receipt of the Completed Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean an optional 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: (A) for privately owned lands: (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; (B) for BLM publically managed lands, the submittal of a Preliminary Plan of Development which includes Interconnection Customer's Interconnection Facilities and Transmission Provider's Interconnection Facilities and Network Upgrades, System Protection Facilities, Distribution Upgrades developed by the Interconnection Customer and Transmission Provider through the Pre-Application Process; and (C) for Tribal or other public lands managed by the federal government, agency, or other applicable state agency, reasonable demonstration or a right to develop a site for the purpose of constructing the Generating Facility.

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 Standard Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to a Completed Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

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

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Tribal shall mean any Native American tribe, as recognized by the Bureau of Indian Affairs, or its successor agency.

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 apply to processing a Pre-Application Request and a Completed Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.

Transmission Provider shall receive, process and analyze all Pre-Application Requests and Completed Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Pre-Application Requests and Completed 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.

In accordance with the Applicable Reliability Council policies, Transmission Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in LGIP Section 13.1. Transmission Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Pre-Application Process

3.1 General.

An Interconnection Customer shall submit to Transmission Provider a Pre-Application Request, by providing the information set forth in Appendix 1 to this LGIP, along with a -refundable deposit of \$10,000 in order to initiate the Pre-Application Process. Interconnection Customer shall submit a separate Pre-Application Request for each site and may submit multiple Pre-Application Requests for a single site.

Interconnection Customer must submit a deposit with each Pre-Application Request even when more than one request is submitted for a single site. At Interconnection Customer's

option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Pre-Application Meeting.

3.2 Pre-Application Requests

3.2.1 Initiating a Pre-Application Request.

To initiate a Pre-Application Request, Interconnection Customer must submit a Pre-Application Request pursuant to Appendix 1 to the Standard Large Generator Interconnection Procedures along with a refundable deposit of \$10,000.

3.2.2 Acknowledgment of Pre-Application Request.

Transmission Provider shall acknowledge receipt of the Pre-Application Request within five (5) Business Days of receipt of the Pre-Application Request.

3.2.3 Deficiencies in Pre-Application Request.

A Pre-Application Request will not be considered to be a valid request until all items in Section 3.2.1 have been received by Transmission Provider. If a Pre-Application Request fails to meet the requirements set forth in Section 3.2.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Pre-Application Request of the reasons for such failure and that the Pre-Application Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.2.3 shall be treated in accordance with Section 3.2.4.

3.2.4 Withdrawal.

Interconnection Customer may withdraw its Pre-Application 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 Pre-Application 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 notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Pre-Application Number. If an Interconnection Customer disputes the withdrawal and loss of its Pre-Application Number, then during Dispute Resolution, Interconnection Customer's Pre-Application Request is eliminated from the Pre-

Application process until such time that the outcome of Dispute Resolution would restore its Pre-Application Number.

3.3 Pre-Application Procedures

3.3.1 Pre-Application Number

Upon receiving a Pre-Application Request along with the refundable \$10,000 deposit and information required in Appendix 1 of this LGIP, the Interconnection Customer shall be assigned a time- and date-stamped Pre-Application Number. The Transmission Provider shall post on the OASIS all Pre-Application Requests according to Pre-Application Number.

3.3.2 Pre-Application Meeting

The Transmission Provider shall schedule a Pre-Application Meeting with the Interconnection Customer to be held within 20 Business Days from receipt of a completed Pre-Application Request, unless otherwise mutually agreed to by the Parties. During the Pre-Application Meeting, the Parties shall discuss whether any potential facilities to accommodate the Interconnection Customer's Pre-Application Request may cross BLM, Tribal or other Federal/State lands. In the event that the Parties in good faith determine that any potential facilities that may be required to accommodate a Pre-Application Request may cross Federal, State, or Tribal lands, the Parties shall work together in good faith to develop necessary joint applications to the applicable regulatory agency or Tribal Council. If all, or part of any of the Generating Facility, Network Upgrades, Interconnection Facilities or Interconnection Customer Interconnection Facilities are to be sited on land managed by the BLM, the Interconnection Customer shall work in good faith with the Transmission Provider to submit a joint Preliminary Plan of Development (PPOD) that includes all anticipated facilities required to accommodate the Interconnection Customer's Pre-Application Request and interconnect the Generating Facility to the Transmission Provider's Transmission System.

If no potential facilities, or any portion of potential facilities are located on BLM, Tribal, or other Federal/State lands, the meeting will focus on any environmental and permitting issues that may need to be addressed in the Interconnection Studies. The Parties may also discuss Point(s) of Interconnection during the Pre-Application Meeting.

3.3.3 Data Required at Pre-Application Meeting

At the Pre-Application Meeting the Interconnection Customer and Transmission Provider shall 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. The Pre-Application Meeting shall cover all environmental, permitting, site control and matters related to the interconnection of Interconnection Customer's

Generating Facility to Transmission Provider's system, in order to identify the scope of Interconnection Customer's request, and identify any potential issues with the Interconnection Customer's Pre-Application Request. Alternative Interconnection options will also be discussed if applicable.

Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to:

- (i) general facility loadings,
- (ii) general instability issues,
- (iii) general short circuit issues,
- (iv) general voltage issues, and
- (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting.

Transmission Provider and Interconnection Customer 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, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.3.4 Completion of Pre-Application Process

The Pre-Application Process will not be considered complete until all items in Section 3.2 and 3.3 have been completed satisfactorily. Failure by Interconnection Customer to comply with Section 3.2 shall be treated in accordance with Section 3.2.4.

Section 4. Completed Interconnection Requests

4.1 General.

An Interconnection Customer's interconnection request will be deemed a Completed Interconnection Request when the Pre-Application Process is complete. Within ten (10) Business Days after the completion of the Pre-Application Process, Transmission Provider shall establish a date mutually acceptable for the Parties to conduct the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from completion of the Pre-Application Process, unless otherwise mutually agreed upon by the Parties. Interconnection Customer may, at its option, waive the Scoping Meeting following the completion of the Pre-Application Process.

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 will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection System Impact Study Agreement. If the Interconnection Customer waives the Scoping Meeting, Transmission Provider shall tender a draft System Impact Study Agreement to Interconnection Customer of its review and execution within three (3) days of Interconnection Customer's Scoping Meeting waiver request.

4.2 Identification of Types of Interconnection Services.

At the time the Pre-Application Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection 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.

4.2.1 Energy Resource Interconnection Service.

4.2.1.1 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.

4.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility 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.

4.2.2 Network Resource Interconnection Service.

4.2.2.1 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.

4.2.2.2 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.

4.3 Completed Interconnection Request

An Interconnection Customer's interconnection request will be deemed a Completed Interconnection Request when the Pre-Application Process is complete.

4.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a Completed 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 Completed Interconnection Request, unless otherwise mutually agreed upon by the Parties. Interconnection Customer may, at its option, waive the Scoping Meeting following the completion of the Pre-Application Process.

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. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to:

- (i) general facility loadings,
- (ii) general instability issues,
- (iii) general short circuit issues,
- (iv) general voltage issues, and
- (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting.

Transmission Provider and Interconnection Customer 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 7.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

4.5 OASIS Posting.

Transmission Provider will maintain on its OASIS a list of all Pre-Application Requests and Completed Interconnection Requests. The list will identify, for each Pre-Application Request and Completed Interconnection Request:

- (i) the maximum summer and winter megawatt electrical output, both gross and net;
- (ii) the location by county and state;
- (iii) the station or transmission line or lines where the interconnection will be made;
- (iv) the projected In-Service Date;
- (v) the status of the request, including Queue Position;
- (vi) the type of Completed Interconnection Service being requested in the request;

- (vii) the availability of any studies related to the request;
- (viii) the date of request;
- (ix) the type of Generating Facility to be constructed (e.g., combined cycle, combustion turbine, wind, solar, etc. and fuel type); and
- (x) for requests that have not resulted in a completed interconnection, an explanation as to why it was not completed.

Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

4.6 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Completed Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in 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.

4.7 Withdrawal.

Interconnection Customer may withdraw its Completed 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 Completed 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 notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Completed Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Completed Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Completed Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. 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 Completed Interconnection Request.

Section 5. Queue Position

5.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of successful completion of the Pre-Application Process. Moving a Point of Interconnection shall result in returning to the Pre-Application Process and a new Pre-Application Number if it is deemed a Material Modification under Section 5.4.3.

The Queue Position of each Completed 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 Completed Interconnection Request. A higher queued Completed Interconnection Request is one that has been placed "earlier" in the queue in relation to another Completed Interconnection Request that is lower queued.

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

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 Completed 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 exceed the date the Completed Interconnection Request is received by Transmission Provider by a period up to ten years or longer, where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld by the Transmission Provider.

5.2 Clustering.

Where appropriate, Completed Interconnection Requests are to be studied in clusters for the purpose of the Interconnection System Impact Study and the Interconnection Facilities Study.

Clustering shall be implemented on the basis of Queue Position (as set forth in Section 5 above) and geographic location of the proposed Interconnection Point on the Transmission Provider's Transmission System. All interconnection requests deemed to be Completed Interconnection Requests during the second and third quarters of a given year (i.e., beginning April 1 and closing September 30) will be grouped into one "Queue Cluster Window," and interconnection requests deemed to be Completed Interconnection Requests during the fourth quarter of a year and the first quarter of the following year (i.e., beginning October 1 and closing March 31 the following year) will be placed into the second "Queue Cluster Window." Completed Interconnection Requests shall be grouped in their respective Queue Cluster Windows and by geographical areas, and shall be studied together, where appropriate, for Network Resource Interconnection Service without regard to the nature of the requested 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 Completed Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study a Completed Interconnection Request separately to the extent warranted by Good Utility Practice.

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.

5.2.1 Cluster Window Transition Period

The first Queue Cluster Window will commence upon the first Window deadline following Commission approval of the Queue Cluster Windows.

5.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Completed Interconnection Request and the Point of Interconnection does not change.

5.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Completed Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 5.4.1, 5.4.2 or 5.4.5, or are determined not to be Material Modifications pursuant to Section 5.4.3.

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 Completed 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.

5.4.1 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.

5.4.2 Prior to the return of the executed Interconnection Facility 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.

5.4.3 Prior to making any modification other than those specifically permitted by Sections 5.4.1, 5.4.2, and 5.4.5, 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 deemed acceptable under Sections 3.2, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Pre-Application Request for such modification.

- 5.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 5.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 5.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Completed Interconnection Request relates are not material and should be handled through construction sequencing; provided, however, that extensions may necessitate a determination of whether the Generating Facility will retain its Western Electricity Coordinating Council ("WECC") accepted rating status and whether additional studies are required pursuant to the Applicable NERC and WECC Reliability Standards and Criteria.

Section 6. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

6.1 Queue Position for Pending Requests.

- 6.1.1** Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.
- 6.1.1.1** If an Interconnection System Impact, or Facilities Study has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.
- 6.1.1.2** If an interconnection System Impact, or Facilities Study 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, Transmission Provider shall offer Interconnection Customer the option of either continuing under Transmission Provider's prior interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

6.1.1.3 If an LGIA has been submitted to FERC for approval before the effective date of the LGIP, then the LGIA would be grandfathered.

6.1.2 Transition Period. To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an interconnection request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any interconnection request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its interconnection request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

6.2 New Transmission Provider.

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Studies, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 4.4, once the Pre-Application Process is complete, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 2 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the submittal of the System Impact Study Agreement to the Interconnection Customer, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

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 a \$50,000 deposit in lieu of site control, and a \$75,000 deposit to be used toward the preparation of the System Impact Study Agreement.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Pre-Application Meeting or 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 may direct that one of the alternatives as specified in the Pre-Application process or in the Scoping Meeting, be the substitute.

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 Completed Interconnection Request;
- (iii) have a pending higher queued Completed Interconnection Request to interconnect to the Transmission System; and
- (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. 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 Completed Interconnection Request and a non-binding good faith estimate of cost responsibility and 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 Completed Interconnection Request pursuant to Section 4.6 above. 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 one hundred twenty (120) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within one hundred twenty (120) 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 all supporting documentation, workpapers and relevant pre-Completed Interconnection Request and post-Completed Interconnection Request power flow, 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 and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study. On projects involving BLM land, the PPOD required for the BLM process will be reviewed for accuracy and possible revisions by Transmission Provider and the Interconnection Customer. If revisions are required, the Interconnection Customer must work with the Transmission Provider in good faith to revise the PPOD as soon as is practicable.

7.6 Re-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 5.4, 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. 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 the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 3 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 three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and a \$75,000 deposit to be used in preparation of the Interconnection Facilities Study Agreement.

8.1.1 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. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

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 in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility 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 4.6 above. Transmission Provider shall utilize existing studies to the extent practicable in performing 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 receipt of an executed Interconnection Facilities Study Agreement: one hundred twenty (120) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report.

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 fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-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 5.4, 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. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

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 shall 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. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter 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: (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.

Section 10. Optional Interconnection Study

10.1 Optional Interconnection Study Agreement.

On or after the date when Interconnection Customer receives 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, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 4.

The Optional Interconnection Study Agreement shall:

- (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study,
- (ii) specify Interconnection Customer's assumptions as to which Completed 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 Completed 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 Studies with respect to any other Completed Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.

10.2 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 receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

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 concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but

within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Pre-Application Request or Completed Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Completed Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable 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 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) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility;
- (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or
- (v) application for an air, water, or land use permit.

Interconnection Customer shall either:

- (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or
- (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form.

As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Completed

Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity Other than Interconnection Customer

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to

construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study.

An Interconnection System Impact Study will be amended 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.

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.

Transmission Provider may perform study work using WECC data (power flow, stability, and disturbance monitoring data) for nonmembers provided that the WECC data are not provided to the nonmember. Under such arrangements the nonmembers are permitted to look at the data in the Transmission Provider's office to gain an understanding of the study results, but are not permitted to have the data or a copy of the data. Interconnection Customer must also sign the WECC Nonmember Confidentiality Agreement in accordance with regional Reliability Council policies.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but

shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information (“Confidential Information”) shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is

- (i) required by law;
- (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute;
- (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or
- (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group.

The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study 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 Completed Interconnection Request prior to 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 any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. 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 disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 7.4 or 8.3 within the

applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Completed Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Completed Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Completed Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision 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 discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim

or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten(10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of

the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (“local furnishing bonds”). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider’s facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Completed Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider’s Tariff.

LGIP Appendix 1: Pre-Application Request For A Large Generating Facility

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with the Transmission Provider's Transmission System pursuant to a Tariff.
2. This Pre-Application 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 of 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. MVA rating of generator(s) and total number of generators.
Net megawatt electrical output of the proposed new Large Generating Facility delivered to the POI ;
 - d. General description of the equipment configuration;
 - e. In-Service date (Day, Month and Year);
Commercial Operation Date (Day, Month and Year);
Good faith estimate of the stand-by or station service load when not generating;
 - f. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person;
 - g. Approximate location of the proposed Point of Interconnection (optional); and
 - h. Interconnection Customer Data (set forth in Attachment A)

6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)
_____ Is attached to this Pre-Application Request
_____ Will be provided at a later date in accordance with this LGIP
8. This Pre-Application Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]
9. Representative of the Interconnection Customer to contact:

[To be completed by Interconnection Customer]
10. This Pre-Application Request is submitted by:
Name of Interconnection Customer:

By (signature): _____
Name (type or print): _____
Title: _____
Date: _____

**Attachment A To Appendix 1:
Pre-Application Request**

**LARGE GENERATING FACILITY DATA
UNIT RATINGS**

KVA	_____	°F	_____	Voltage	_____
Power Factor	_____				
Speed (RPM)	_____			Connection (e.g. Wye)	_____
Short Circuit Ratio	_____			Frequency, Hertz	_____
Stator Amperes at Rated kVA	_____			Field Volts	_____
Max Turbine MW	_____	°F	_____		

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H	=	_____	kW sec/kVA
Moment-of-Inertia, WR ²	=	_____	lb. ft. ²

**REACTANCE DATA (PER UNIT-RATED KVA)
DIRECT AXIS QUADRATURE AXIS**

Synchronous - saturated	X _{dv}	_____	X _{qv}	_____
Synchronous - unsaturated	X _{di}	_____	X _{qi}	_____
Transient - saturated	X' _{dv}	_____	X' _{qv}	_____
Transient - unsaturated	X' _{di}	_____	X' _{qi}	_____
Subtransient - saturated	X'' _{dv}	_____	X'' _{qv}	_____
Subtransient - unsaturated	X'' _{di}	_____	X'' _{qi}	_____
Negative Sequence - saturated	X _{2v}	_____		
Negative Sequence - unsaturated	X _{2i}	_____		
Zero Sequence - saturated	X _{0v}	_____		
Zero Sequence - unsaturated	X _{0i}	_____		
Leakage Reactance	X _{lm}	_____		

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)
_____ / _____ 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 Pre-Application 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 PT1 power flow models, must be supplied with the Pre-Application Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Pre-Application 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 Pre-Application Request to determine if the information designated by (*) is required.

LGIP Appendix 2: Interconnection System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of State of _____, (“Interconnection Customer”), and _____ a _____ existing under the laws of the State of _____, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Completed Interconnection Request submitted by the Interconnection Customer dated _____ ; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Interconnection Customer has requested the 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 the Transmission Provider’s FERC-approved 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 results of the Pre-Application Process and the technical information provided by Interconnection Customer in the Completed Interconnection Request, subject to any modifications in accordance with Section 5.4 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 designated Point of Interconnection, Completed Interconnection Request, or the technical information provided therein is modified, 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:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
 - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0** Interconnection Customer shall provide a deposit of \$75,000 for 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 [insert date].
- Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.
- Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.
- 7.0** Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 2:
Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Pre-Application Process, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

- e. Updated In-Service date (Day, Month and Year);
Updated Commercial Operation Date (Day, Month and Year);

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

LGIP Appendix 3: Interconnection Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of State of _____, (“Interconnection Customer”), and _____ a _____ existing under the laws of the State of _____, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Completed Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, the Transmission Provider has completed an Interconnection System Impact Study (the “System Impact Study”) and provided the results of said study to the Interconnection Customer; and

WHEREAS, Interconnection Customer has requested the 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 the Transmission Provider’s FERC-approved LGIP.
- 2.0** Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0** The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 Interconnection Customer shall provide a deposit of \$75,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

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. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 3:
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING
THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall 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.
- e. Updated In-Service date (Day, Month and Year);
Updated Commercial Operation Date (Day, Month and Year);

**Attachment B to Appendix 3:
Interconnection Facilities
Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line 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 the 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: _____

LGIP Appendix 4: Optional Interconnection Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of State of _____, (“Interconnection Customer”), and _____ a _____ existing under the laws of the State of _____, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Completed Interconnection Request submitted by the 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 a Completed Interconnection Request; and

WHEREAS, on or after the date when the 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 the Transmission Provider’s FERC-approved LGIP.
- 2.0** Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0** The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0** The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0** The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider’s Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission

service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

- 6.0** Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0** Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

LGIP Appendix 5 Interconnection Procedures For A Wind Generating Plant

Appendix G of the LGIA sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Pre-Application Request required by section 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 Completed 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 a Completed 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.

**LGIP Appendix 6:
Standard Large Generator
Interconnection Agreement (LGIA)**
(Applicable to Generating Facilities that exceed 20 MW)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Transmission Provider and/or Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Completed Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Completed Interconnection Request shall mean an Interconnection Customer's request following the completion of the Pre-Application Process, to interconnect a new Generating Facility, increasing the capacity of, or making a Material Modification to the operating characteristics of an existing Generating Facility.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Completed 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 Completed Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider’s Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Customer’s Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider’s Transmission System. Interconnection Customer’s Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Pre-Application Process, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the: (1) cost or timing of any Pre-Application Request with a later Pre-Application Number or (2) cost or timing of any Completed Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Pre-Application Process shall mean the activities required prior to the Interconnection Customer entering the Interconnection Queue, as further set forth in Section 3 of the Large Generator Interconnection Procedures.

Queue Position shall mean the order of a valid Completed Interconnection Request, relative to all other pending valid Completed Interconnection Requests, that is established based upon successful completion of the Pre-Application Process, as determined by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to a Completed Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

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

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

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

Article 2. Effective Date, Term, and Termination

2.1 Effective Date.

This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice.

This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default.

Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs.

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection.

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival.

This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing.

Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options.

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service.

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards.

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Delivery Service.

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services.

The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options.

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option.

Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option.

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by

the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build.

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option.

If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build.

If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law and Applicable Reliability Standards to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by

Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages.

The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement.

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

- 5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
- 5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement.

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress.

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange.

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation.

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF").

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider’s Review.

Transmission Provider’s review of Interconnection Customer’s final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction.

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider “as-built” drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider’s Interconnection Facilities Construction.

Transmission Provider’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following “as-built” drawings, information and documents for Transmission Provider’s Interconnection Facilities [include appropriate drawings and relay diagrams]. Transmission Provider will obtain control of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights.

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at no cost to the other Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under

the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners.

If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits.

Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities.

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension.

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the

construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable.

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants.

In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the

Large Generating Facility. For this purpose, “de minimis amount” means no more than 5 percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider’s request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider’s Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount.

Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law.

At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events.

If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests.

In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree

to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

5.17.8 Refund.

In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be

entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes.

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

5.17.10 Transmission Owners Who Are Not Transmission Providers.

If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

5.18 Tax Status.

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General.

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit a Completed Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards.

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA, Applicable Reliability Standards and Good Utility Practice.

5.19.3 Modification Costs.

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection

Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications.

Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications.

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect.

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General.

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters.

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards.

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

7.4 Testing of Metering Equipment.

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be

reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data.

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations.

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit.

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8.4 Provision of Data from a Variable Energy Resource

The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

9.1 General.

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by

the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification.

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating

Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations.

Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations.

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization.

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria.

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules.

Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 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) and 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 Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large

Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power.

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use

Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service.

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration.

Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions.

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Transmission Provider shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on Transmission Provider’s Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection.

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection

Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality.

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules.

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities.

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users.

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange.

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations.

Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations.

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination.

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems.

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities.

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities.

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades.

Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection

Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date. If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems.

Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

- 11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security.

At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the

applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

- 11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.
- 11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation.

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General.

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice.

Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment.

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes.

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition.

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations.

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice.

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action.

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General.

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection.

Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the

Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority.

Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability.

Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements.

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General.

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice.

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be

required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General.

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate.

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity.

The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person.

If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice

and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures.

Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the

Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages.

Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees (“Other Party Group”) as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party’s senior secured debt is rated at investment grade or better by Standard & Poor’s and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party’s senior secured debt is unrated by Standard & Poor’s or is rated at less than investment grade by Standard & Poor’s, such Party shall comply with the

insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment.

This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability.

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability.

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Transmission Provider may perform study work using WECC data (power flow, stability, and disturbance monitoring data) for nonmembers provided that the WECC data are not provided to the nonmember. Under such arrangements the nonmembers are permitted to look at the data in the Transmission Provider's office to gain an understanding of the study results, but are not permitted to have the data or a copy of the data. Interconnection Customer must also sign the WECC Nonmember Confidentiality Agreement in accordance with regional Reliability Council policies.

22.1.1 Term.

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a

third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use

Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement.

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or

otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

- 22.1.11** Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA (“Confidential Information”) shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party’s Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Environmental Releases.

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The

notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition.

Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider.

The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer.

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation.

Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Large Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access.

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events.

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and

provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights.

Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results.

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General.

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance.

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures.

Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator

within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

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

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted

and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority.

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict.

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval.

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee.

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating

Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1 Establish data requirements and operating record requirements.
- 29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5 Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect.

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts.

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation.

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part,

and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement.

This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries.

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver.

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings.

The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts.

This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment.

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties.

The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights.

Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership.

This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

LGIA Appendix A: 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]:

LGIA Appendix B: Milestones

Agreed to by:

For the Transmission Provider _____ Date _____

For the Interconnection Customer _____ Date _____

LGIA Appendix C: Interconnection Details

LGIA Appendix D: Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

LGIA Appendix E: 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]

LGIA Appendix F: 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.]

LGIA Appendix G: Interconnection Requirements For A Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (*i.e.* the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant 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 606 (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.

Attachment O

Standard Small Generator Interconnection Procedures (SGIP)

including

Standard Small Generator Interconnection Agreement (SGIA)

Standard Small Generator Interconnection Procedures (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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 Small Generator Interconnection Procedures (SGIP)

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Section 1. Application

1.1 Applicability

- 1.1.1** A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) will be subject to the Pre-Application Process. A request to interconnect a certified Small Generating Facility no larger than 2 MW shall be evaluated under the Section 2 Fast Track Process. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kW shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility larger than 2 MW but no larger than 20 MW or a Small Generating Facility that does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the Section 3 Study Process.
- 1.1.2** Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3** Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4** Prior to submitting its Pre-Application Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.6** References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application Process

1.2.1 General

To begin the Pre-Application Process, the Interconnection Customer shall submit a Pre-Application Request to Transmission Provider and Transmission Provider shall initiate the Pre-Application Procedures following receipt of a complete Pre-Application Request.

1.2.2 Pre-Application Procedures

1.2.2.1 Pre-Application Request

An Interconnection Customer shall submit to Transmission Provider a Pre-Application Request by providing information set forth in Attachment 2 of this Small Generator Interconnection Procedures along with a refundable deposit of \$1,000, or for Fast Track Process, a non-refundable processing fee of \$500, in order to initiate the Pre-Application Process. The Interconnection Customer shall submit a separate Pre-Application Request for each site and may submit multiple Pre-Application Requests for a single site. Interconnection Customer must submit a deposit with each Pre-Application Request even when more than one request is submitted for a single site.

The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.

In addition, the Interconnection Customer shall coordinate with the Transmission Provider on any plans filed with any governmental entity to ensure that all interconnection facilities, including Network Upgrades, Interconnection Facilities, and Distribution Upgrades are included in the plans filed with the governmental entity.

1.2.2.2 Acknowledgement of Pre-Application Request

The Interconnection Customer shall be notified of receipt by the Transmission Provider within three (3) Business Days of receiving the Pre-Application Request.

1.2.2.3 Deficiencies in Pre-Application Request

The Transmission Provider shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Pre-Application Request as to whether the Pre-Application Request is complete or incomplete. If the Pre-Application Request is incomplete, the Transmission Provider shall provide along with the notice that the Pre-Application Request is incomplete, a written list detailing all information that must be provided to complete the Pre-Application Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or

to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Pre-Application Request will be deemed withdrawn. A Pre-Application Request will be deemed complete upon submission of the listed information to the Transmission Provider and successful completion of the Pre-Application Meeting, described in Section 1.2.2.5.

1.2.2.4 Pre-Application Number

Upon receiving a Pre-Application Request along with the refundable \$1,000 deposit, or \$500 deposit for Fast Track Process, and information required in Attachment 2 of this SGIP, the Interconnection Customer shall be assigned a time- and date-stamped Pre-Application Number. The Transmission Provider shall post on the OASIS all Pre-Application Requests according to Pre-Application Number.

1.2.2.5 Pre-Application Meeting

A Pre-Application Meeting shall be held within twenty (20) Business Days of receipt of a completed Pre-Application Request, unless otherwise mutually agreed to by the Parties. All permitting issues and generation modeling issues will be discussed at that meeting. The Pre-Application Meeting shall also cover all environmental, permitting and Site Control and matters related to the interconnection of Interconnection Customer's Generating Facility to the Transmission Provider's system in order to identify the scope of the Interconnection Customer's request, and identify any potential issues with the Interconnection Customer's Pre-Application Request. At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Pre-Application Meeting.

During the Pre-Application Meeting, the Parties shall discuss if any potential facilities to accommodate the Interconnection Customer's Pre-Application Request may cross BLM, Tribal, or other federal, state or local agency lands. In the event the Parties determine in good faith that any potential facilities that may be required to accommodate an Pre-Application Request may cross BLM, Tribal or other federal, state or local agency/department lands, the Parties shall work together in good faith to develop necessary joint applications to the applicable regulatory agency or Tribal council. If all, or any part of the Generating Facility, Network Upgrades, Interconnection Facilities, or Interconnection Customer Interconnection Facilities are to be sited on land managed by the BLM, the Interconnection Customer shall work in good faith with the Transmission Provider to submit a joint Preliminary Plan of Development (PPOD) that includes all anticipated facilities required to accommodate the Interconnection Customer's interconnection request and interconnect the Generating Facility to the Transmission Provider's Transmission System.

If no potential facilities, or any portion of potential facilities, are located on BLM, Tribal, or other federal, state or local agency lands, the meeting will focus on any environmental and permitting issues that may need to be addressed in the Interconnection Studies. The Parties may also discuss Point(s) of Interconnection during the Pre-Application Meeting.

The Interconnection Customer shall not be granted a Queue Position until successful completion of the Pre-Application Process.

1.2.2.6 Data Required at Pre-Application Meeting

At the Pre-Application Meeting the Interconnection Customer and Transmission Provider shall 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. The Pre-Application Meeting shall cover all environmental, permitting, site control and matters related to the interconnection of Interconnection Customer's Generating Facility to Transmission Provider's system, in order to identify the scope of Interconnection Customer's request, and identify any potential issues with the Interconnection Customer's Pre-Application Request. Alternative Interconnection options will also be discussed if applicable.

Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to:

- (i) general facility loadings,
- (ii) general instability issues,
- (iii) general short circuit issues,
- (iv) general voltage issues, and
- (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting.

Transmission Provider and Interconnection Customer 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, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

1.2.2.7 Completion of Pre-Application Process

The Pre-Application Process will not be considered complete until all items in Section 1.2 have been completed satisfactorily. If the Interconnection Customer does not comply with Section 1.2.2 then Transmission Provider shall deem the Pre-Application 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 notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution pursuant to Section 4.2 of this SGIP. Withdrawal shall result in the loss of Interconnection Customer's Pre-Application Number.

1.3 Completed Interconnection Request

An Interconnection Customer's interconnection request will be deemed a Completed Interconnection Request when the Pre-Application Process is complete. Within ten (10) Business Days after the completion of the Pre-Application Process, Transmission Provider shall establish a date mutually acceptable for the Parties to conduct the scoping meeting, and such date shall be no later than thirty (30) Calendar Days from completion of the Pre-Application Process, unless otherwise mutually agreed upon by the Parties. Interconnection Customer may, at its option, waive the scoping meeting following the completion of the Pre-Application Process.

1.4 Modification of the Pre-Application or Completed Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Pre-Application Request or Completed Interconnection Request and may require submission of a new Pre-Application Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Pre-Application Request. Site control may be demonstrated through:

- 1.5.1** For privately held lands, ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
or
an option to purchase or acquire a leasehold site for such purpose; or
an exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.
- 1.5.2** For Bureau of Land Management ("BLM") publically managed lands, the submittal of a Preliminary Plan of Development ("PPOD") which includes Interconnection Customer's Interconnection Facilities and Transmission Provider's Interconnection Facilities and Network Upgrades, System Protection Facilities, Distribution Upgrades developed by the Interconnection Customer and Transmission Provider through the Pre-Application Process; and
- 1.5.3** For Tribal or other public lands managed by the federal government, agency, or other applicable state or local agencies, reasonable demonstration or a right to develop a site for the purpose of constructing the Generating Facility.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of successful completion of the Pre-Application Process. The Queue Position of each Completed Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Completed Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Completed Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility is no larger than 2 MW and if the Interconnection Customer's proposed Small Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a Completed Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

2.2.1 Screens

- 2.2.1.1** The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission Provider's Distribution System that is subject to the Tariff.
- 2.2.1.2** For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15% of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3** For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5% of a spot network's maximum load or 50 kW¹.
- 2.2.1.4** The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10% to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5** The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5% of the short circuit interrupting capability; nor shall the interconnection proposed for a circuit that already exceeds 87.5% of the short circuit interrupting capability.
- 2.2.1.6** Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting

¹ A spot Network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)

Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Completed Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

- 2.2.4** If the proposed interconnection fails the screens, but the Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting

If the Transmission Provider determines the Completed Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five (5) Business Day period after the determination, the Transmission Provider shall notify the Interconnection Customer and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:

- 2.3.1** Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system; or
- 2.3.2** Offer to perform a supplemental review if the Transmission Provider concludes that the supplemental review might determine that the Small Generating Facility could continue to qualify for interconnection pursuant to the Fast Track Process, and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3** Obtain the Interconnection Customer's agreement to continue evaluating the Completed Interconnection Request under the Section 3 Study Process.

2.4 Supplemental Review

If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 15 Business Days of the offer, and submit a deposit for the estimated costs. The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit

exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.

- 2.4.1** Within ten Business Days following receipt of the deposit for a supplemental review, the Transmission Provider will determine if the Small Generating Facility can be interconnected safely and reliably.
- 2.4.1.1** If so, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days.
- 2.4.1.2** If so, and Interconnection Customer facility modifications are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days after confirmation that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost.
- 2.4.1.3** If so, and minor modifications to the Transmission Provider's electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under the Fast Track Process, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within ten Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.
- 2.4.1.4** If not, the Completed Interconnection Request will continue to be evaluated under the Section 3 Study Process.

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System when the Pre-Application Process is complete and if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

- 3.2.1** An optional scoping meeting will be held within ten Business Days after the Pre-Application Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting. In addition, the Interconnection Customer must coordinate with the Transmission Provider on any governmental plans of developments to ensure that all interconnection facilities are included in the plan. These facilities include: Network Upgrades, Interconnection Facilities, and Distribution Upgrades.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the optional scoping meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection System Impact Study Agreement. If the Interconnection Customer waives the scoping meeting, Transmission Provider shall tender a draft System Impact Study Agreement to Interconnection Customer of its review and execution within three (3) days of Interconnection Customer's scoping meeting waiver request.

- 3.2.2** The purpose of the optional scoping meeting is to discuss the Completed Interconnection Request and review existing studies relevant to the Completed Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a system impact study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If the Customer waives the scoping meeting, study agreements shall be sent no later than five Business Days after the completion of the Pre-Application Process.
- 3.2.3** The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a system impact study must return the executed system impact study agreement within 15 Business Days.

3.3 System Impact Study

- 3.3.1** A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
- 3.3.2** If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting, a distribution system impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of completion of the Pre-Application Process, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- 3.3.3** In instances where the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following completion of the Pre-Application Process, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.3.4** If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown during the Pre-Application Process to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.3.5** If the system impact study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 7), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.
- 3.3.6** In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.3.7** A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.

- 3.3.8** The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.3.9** Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities (“TDUs”) – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.4 Facilities Study

- 3.4.1** Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.4.2** In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider’s interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.
- 3.4.3** The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- 3.4.4** Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the

Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

- 3.4.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.4.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.4.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Pre-Application Requests and Completed Interconnection Requests

4.1 Reasonable Efforts

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

- 4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute
- 4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (*e.g.*, mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5 Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Pre-Application Requests and Completed Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same reasonable efforts in processing and analyzing Pre-Application Requests and Completed Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Pre-Application Requests and Completed Interconnection Requests received under these procedures, the times required to complete Pre-Application Request and Completed Interconnection Request approvals and disapprovals, and justification for the actions taken on the Pre-Application Requests and Completed Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable

timeframe to sign and return the interconnection agreement, or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days, the Pre-Application Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Completed Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the 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 the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

- 4.10.1** If the Completed Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Completed Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2** If the Completed Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Completed Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3** The Completed Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

SGIP Attachment 1: Glossary of Terms

10 kW Inverter Process – The procedure for evaluating a Completed Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the Section 2 screens. The application process uses an all-in-one document that includes a simplified Completed Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Bureau of Land Management – The U.S. Department of Interior, Bureau of Land Management, or its successor agency, which manages federal public lands.

Business Day – Monday through Friday, excluding Federal Holidays.

Completed Interconnection Request - The Interconnection Customer’s request following the completion of the Pre-Application Process, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnection with the Transmission Provider’s Transmission System.

Distribution System – 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 – The additions, modifications, and upgrades to the Transmission Provider’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating a Completed Interconnection Request for a certified Small Generating Facility no larger than 2 MW that includes the Section 2 screens, customer options meeting, and optional supplemental review.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Facilities – The Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of

Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Material Modification – A modification that has a material impact on the cost or timing of any Pre-Application Request or Completed Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Pre-Application Meeting – The meeting held between the Transmission Provider and the Interconnection Customer during the Pre-Application Process in order to process the Pre-Application Request, to discuss any potential siting impediments or timelines associated with an Interconnection Customer's Pre-Application Request, and to create a Preliminary Plan of Development (if necessary) for the Interconnection Customer's Pre-Application Request.

Pre-Application Number -- The number given to the Interconnection Customer upon receipt of a Pre-Application Request. The Pre-Application Number shall be time and date stamped and Pre-Application Requests will be processed in order of Pre-Application Number.

Pre-Application Process – The activities required prior to the Interconnection Customer entering the Interconnection Queue, as further set forth in Section 1.6 of this Small Generator Interconnection Procedures. The Pre-Application Process shall apply to a new Interconnection Customer request 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.

Pre-Application Request – The Interconnection Customer's request, in the form of Attachment 2 of the Standard Small Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Preliminary Plan of Development (PPOD) – The plan required to be submitted to the BLM, if any, to obtain necessary permits or Right-of-Way grants for Interconnection Facilities or Network Upgrades, Distribution Upgrades, System Protection Facilities or Affected System facilities needed to accommodate the Interconnection Customer’s Pre-Application Request, which are to be sited, all or partially, on BLM lands.

Queue Position – The order of a valid Completed Interconnection Request, relative to all other pending valid Completed Interconnection Requests, that is established based upon the date and time of receipt of the valid Completed Interconnection Request by the Transmission Provider.

Small Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Pre-Application Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Study Process – The procedure for evaluating a Pre-Application Request that includes the Pre-Application Process, Section 3 scoping meeting, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Tribal – Any Native American tribe, as recognized by the Bureau of Indian Affairs, or its successor agency.

Upgrades – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**SGIP Attachment 2: Small Generator Pre-Application Request
(Application Form)**

Transmission Provider: _____

Designated Contact Person:

Address:

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An interconnection request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Pre-Application Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Pre-Application Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Pre-Application Request is submitted under the Study Process, whether a new submission or a Pre-Application Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider an initial deposit of \$1,000 towards the cost of the Pre-Application Process.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility
_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___

To Supply Power to the Interconnection Customer? Yes ___ No ___

To Supply Power to Others? Yes ___ No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*)

(Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source:

Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
 Diesel Natural Gas Fuel Oil Other (state type): _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: _____ kW (Typical)

Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)

Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Pre-Application Request: _____ Elevation: _____ Single phase
 Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Pre-Application Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? __
Harmonics Characteristics: _____
Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____
(* Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.
Direct Axis Transient Reactance, X'_d : _____ P.U.
Direct Axis Subtransient Reactance, X''_d : _____ P.U.
Negative Sequence Reactance, X_2 : _____ P.U.
Zero Sequence Reactance, X_0 : _____ P.U.
KVA Base: _____
Field Volts: _____
Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____
 I_2^2t or K (Heating Time Constant): _____
Rotor Resistance, R_r : _____
Stator Resistance, R_s : _____
Stator Reactance, X_s : _____
Rotor Reactance, X_r : _____
Magnetizing Reactance, X_m : _____
Short Circuit Reactance, X_d'' : _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Pre-Application Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the Western Electric Reliability Council ("WECC")

reliability criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? ___ Yes ___ No

Will the transformer be provided by the Interconnection Customer? ___ Yes ___ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ___ single phase ___ three phase? Size: _____ kVA
Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts ___ Delta ___ Wye ___ Wye Grounded

Transformer Secondary: _____ Volts ___ Delta ___ Wye ___ Wye Grounded

Transformer Tertiary: _____ Volts ___ Delta ___ Wye ___ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____

Load Rating (Amps): _____ Interrupting Rating (Amps): _____

Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____
Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____
Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____
Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____
Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____
Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ____ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ____ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ____ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ____ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed?

____ Yes ____ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address)

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? Yes No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? Yes No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Pre-Application Request is true and correct.

For Interconnection Customer: _____ Date: _____

SGIP Attachment 3: Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems
(including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV)
Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for
Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated
Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low
Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment
Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in
Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

SGIP Attachment 4: Certification of Small Generator Equipment Packages

- 1.0** Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0** The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0** Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0** If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0** Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0** An equipment package does not include equipment provided by the utility.
- 7.0** Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

SGIP Attachment 5: Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0** The Interconnection Customer ("Customer") completes the Pre-Application Request ("Application") and submits it to the Transmission Provider ("Company").
- 2.0** The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0** The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0** The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0** After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0** The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0** Contact Information – The Customer must provide the contact information for the legal applicant (*i.e.*, the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0** Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0** UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a

Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741.
This “listing” is then marked on the equipment and supporting documentation.

**Application for Interconnecting a Certified Inverter-Based Small Generating Facility
No Larger than 10kW**

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City _____ State: _____ Zip: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Contact Person: _____

Address: _____

City _____ State: _____ Zip: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility):

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell

Turbine Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas

Fuel Oil Other (describe) _____

Is the equipment UL1741 Listed? Yes _____ No _____

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____

Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes ___ No ___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City _____ State: _____ Zip: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City _____ State: _____ Zip: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

License Number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

Fax: _____

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

**Terms and Conditions for Interconnecting an
Inverter-Based Small Generating Facility No Larger than 10kW**

1.0 Construction of the Facility

The Interconnection Customer (the “Customer”) may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the “Company”) approves the Pre-Application Request (the “Application”) and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company’s electric system once all of the following have occurred:

- 2.1** Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2** The Customer returns the Certificate of Completion to the Company, and
- 2.3** The Company has either:
 - 2.3.1** Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2** If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3** The Company waives the right to inspect the Small Generating Facility.
- 2.4** The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5** Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1** For scheduled outages upon reasonable notice.
- 5.2** For unscheduled outages or emergency conditions.
- 5.3** If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4** The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

SGIP Attachment 6: System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Pre-Application Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

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

- 1.0** When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0** The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0** The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0** A system impact study will be based upon the results of technical information provided by Interconnection Customer in the Pre-Application Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Pre-Application Request, or the technical

information provided therein is modified, the time to complete the system impact study may be extended.

- 5.0** A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Pre-Application Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0** A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0** Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0** If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 8.1** Are directly interconnected with the Transmission Provider's electric system; or
 - 8.2** Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3** Have a pending higher queued Pre-Application Request or Completed Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0** A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 120 Calendar Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.

- 10.0** A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0** Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0** The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

- 16.1** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2** Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____

Attachment A to System Impact Study Agreement

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the Pre-Application Process and the optional scoping meeting, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions are to be provided by the Interconnection Customer and the Transmission Provider.

SGIP Attachment 7: Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Pre-Application Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

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

- 1.0** When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0** The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0** The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.

- 4.0** The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0** The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0** A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0** In cases where Upgrades are required, the facilities study must be completed within 90 Calendar Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0** Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0** Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0** The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

11.0 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waiver

14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

15.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

16.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

17.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

18.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

19.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

Signed _____ Signed _____

Name (Printed):

Name (Printed):

Title _____ Title _____

**Attachment A to Facilities Study Agreement
Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance? Yes ___ No ___

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes ___ No ___
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's Transmission System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes ___ No ___ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**SGIP Attachment 8:
Standard Small Generator
Interconnection Agreement(SGIA)**

(For Generating Facilities No Larger Than 20 MW)

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Small Generator Interconnection Agreement (SGIA)

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This Interconnection Agreement (“Agreement”) is made and entered into this ____ day of _____, 20__, by _____ (“Transmission Provider”), and _____ (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.”

Transmission Provider Information

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Completed Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider’s Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer’s power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider or Affected Systems.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power Service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating

Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. The

termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer’s operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider’s Transmission System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties’ facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider’s Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider’s Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission

Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

- 4.1.2** The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or Affected System operator will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges,

or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

- 5.2.1.2** If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1** The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.
- 6.1.2** Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described

in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions

that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

- 6.3.2** The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure

Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2

If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of

insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2** The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2** Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3** Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated

as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4** The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5** Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6** If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law **consistent with the terms of this Agreement.**

Article 11. Taxes

- 11.1** The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any

partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

12.11.1 General.

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible

to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.3 No Limitation by Insurance.

The obligations under this article **will** not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____

Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: ____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

SGIA Attachment 1: Glossary of Terms

Affected System – An electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Completed Interconnection Request - The Interconnection Customer’s request following the completion of the Pre-Application Process, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnection with the Transmission Provider’s Transmission System.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution System – 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 – The additions, modifications, and upgrades to the Transmission Provider’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Facilities – The Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Material Modification – A modification that has a material impact on the cost or timing of any Pre-Application Request or Completed Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider’s Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider’s Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider’s Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider’s requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider’s Transmission System.

Pre-Application Request – The Interconnection Customer’s request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider’s Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Pre-Application Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Tariff – The Transmission Provider or Affected System’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**SGIA Attachment 2: Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

**SGIA Attachment 3: One-line Diagram Depicting the Small Generating Facility,
Interconnection Facilities, Metering Equipment, and Upgrades**

SGIA Attachment 4: Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

Milestone/Date	Responsible Party
(1) _____	_____
(2) _____	_____
(3) _____	_____
(4) _____	_____
(5) _____	_____
(6) _____	_____
(7) _____	_____
(8) _____	_____
(9) _____	_____
(10) _____	_____

Agreed to by:

For the Transmission Provider _____ Date _____

For the Transmission Owner (If Applicable) _____ Date _____

For the Interconnection Customer _____ Date _____

**SGIA Attachment 5: Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support the Interconnection
Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

SGIA Attachment 6: Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

NVPWR SERVICE AGREEMENTS

AMENDED

COPPER MOUNTAIN SOLAR

INTERCONNECTION AGREEMENT

BETWEEN

NEVADA POWER COMPANY
(d/b/a NV Energy)

AND

EL DORADO ENERGY, LLC

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**AMENDED COPPER MOUNTAIN SOLAR
INTERCONNECTION AGREEMENT**

THIS AMENDED COPPER MOUNTAIN SOLAR INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into by and between El Dorado Energy, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“Interconnection Customer”), and Nevada Power Company, doing business as NV Energy, a corporation organized and existing under the laws of the State of Nevada (“Transmission Provider”). 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 the Merchant Substation;

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility to the Merchant Substation.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this 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 in the Tariff.

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission 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 System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party shall mean a Party that is in Breach of this Agreement.

Business Day shall mean Monday through Friday, excluding Federal holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal holiday.

Commercial Operation shall mean the status of the Generating Facility when it has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17.

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.

Effective Date shall mean the date on which this Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to the Merchant Substation to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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 or its successor.

First Interconnection Agreement shall mean that certain 230kV Facilities Interconnection Agreement, dated October 1, 1998, between Transmission Provider and Interconnection Customer governing the interconnection of Interconnection Customer's other generating facilities to the Merchant Substation.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's devices for the production of electricity identified in Appendix C, but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities and Merchant Upgrades to obtain back feed power.

Interconnection Customer shall mean El Dorado Energy, LLC, or its successor in interest, the entity that is proposing to interconnect the Generating Facility to the Merchant Substation.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A, that are located between the Generating Facility and the Point of Interconnection, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Merchant Substation, but excluding Transmission Provider's Interconnection Facilities and Merchant Upgrades. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Merchant Substation. Interconnection Facilities are sole use facilities and shall not include Merchant Upgrades.

Interconnection Facilities Study shall mean the study conducted by Transmission Provider for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Merchant Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility to the Merchant Substation.

Interconnection Facilities Study Agreement shall mean the agreement entered into between Transmission Provider and Interconnection Customer for conducting the Interconnection Facilities Study.

Interconnection Request shall mean Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect the Generating Facility to the Merchant Substation.

Interconnection Service shall mean the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to the Merchant Substation and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Agreement and, if applicable, the Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection System Impact Study shall mean the engineering study that evaluated the impact of the proposed interconnection on the safety and reliability of the Transmission System, the Merchant Substation and, if applicable, an Affected System. The study identified and detailed the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, or to study potential impacts, including but not limited to those identified in the Scoping Meeting.

Interconnection System Impact Study Agreement shall mean the agreement entered into between Transmission Provider and Interconnection Customer 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, other interconnection customers, and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under this 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.

Merchant Upgrades shall mean the additions, modifications and upgrades to the Merchant Substation, as identified in Appendix A, required at or beyond the Point of Interconnection to accommodate the interconnection of the Generating Facility to the Merchant Substation.

Merchant Substation shall mean an electrical substation, a basic breaker-and-a-half scheme initially operated as a ring bus scheme, located on Interconnection Customer owned and/or controlled property in Boulder City, Nevada, comprising: (i) the 230 kV busses and the structures therefor; (ii) the Merchant Substation control room located in Interconnection Customer's control building; and (iii) the termination facilities for three (3) generator step-up transformers, the Merchant-NSO 230 kV line, the Merchant-McCullough 230 kV line, and the Merchant-Eldorado 230 kV line including, but not limited to, power circuit breakers, disconnect switches, and the structures therefor as shown in Appendix C.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to this 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 its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission System. For purposes of this Agreement, the term Network Upgrades does not include any Merchant Upgrades.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

Party or Parties shall mean Transmission Provider, Interconnection Customer or any combination of the two.

Point of Interconnection shall mean the point, as set forth in Appendix C, where Interconnection Customer's Interconnection Facilities connect to the Merchant Substation.

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 Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of Interconnection Customer 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.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the 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 System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Tariff shall mean Transmission Provider's Open Access Transmission Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Provider shall mean Nevada Power Company, doing business as NV Energy, that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by Transmission Provider as identified in Appendix A, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Merchant Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by Transmission Provider 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.

Article 2. Effective Date, Term and Termination

2.1 Effective Date. This Agreement became effective as of January 28, 2010.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of thirty (30) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This Agreement may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this Agreement in accordance with Article 17.

2.3.3 Control Area Change. Interconnection Customer has notified Transmission Provider of its intention to transfer facilities which the Generating Facility is interconnected to, from Transmission Provider's Control Area into another Control Area. Following such notification, Interconnection Customer and Transmission Provider entered into a Letter Agreement, which Letter Agreement was filed and accepted for filing by FERC in Docket No. ER11-3798-000 (hereinafter referred to as the "EDE Letter Agreement"). In

accordance with the provisions and obligations of the EDE Letter Agreement, and to the extent Interconnection Customer will seek to transfer the Generating Facility as a result of its request to transfer certain facilities that the Generating Facility is interconnected to, the Parties shall work in good faith to coordinate the transfer of the Generating Facility to the new Control Area with the new Control Area operator (to the extent a transfer of facilities addressed in the EDE Letter Agreement is completed). The Parties shall also cooperate in good faith to make any necessary filings with FERC and other applicable entities to effectuate the transfer of the Generating Facility to the new Control Area (to the extent a transfer of facilities addressed in the EDE Letter Agreement is completed) and to terminate this Agreement. Upon the completion of such Control Area transfer of both the Generating Facility and the facilities identified in the EDE Letter Agreement, this Agreement shall be terminated.

2.3.4 Effective Date of Termination. Notwithstanding Articles 2.3.1, 2.3.2 and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided, that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment and, if necessary, assign such contracts to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider, to cancel any pending orders of or return such materials, equipment, or contracts.

If Interconnection Customer terminates this Agreement, it shall be responsible for all costs incurred in association with such Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and Merchant Upgrades, and other expenses 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 Agreement, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5** **Disconnection.** Upon termination of this Agreement, the Parties will take all appropriate steps to disconnect the Generating Facility from the Merchant Substation. 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 Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.
- 2.6** **Survival.** This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this Agreement, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

- 4.1** **Interconnection Product Options.** Interconnection Customer has selected the following (checked) type of Interconnection Service:
- 4.1.1** **Energy Resource Interconnection Service (✓)**
- 4.1.1.1** **The Product.** Energy Resource Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Merchant Substation and be eligible to deliver the 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 and Interconnection Customer shall construct the facilities identified in Appendix A.
- 4.1.1.2** **Transmission Delivery Service Implications.** Under Energy Resource Interconnection Service, if Interconnection Customer plans to deliver power across the Transmission System to any delivery point other than over the Merchant-Eldorado 230 kV transmission line to the Eldorado 230 kV switchyard, it will be eligible to inject power from the Generating Facility into and deliver power across the 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. In all other instances, except for delivery of power over the Merchant-Eldorado 230 kV transmission line to the Eldorado 230 kV switchyard, no transmission delivery service from the Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service or Network Integration Transmission Service pursuant to the 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 Merchant Substation, or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of the Tariff. Except for delivery of power over the Merchant-Eldorado 230 kV transmission line to the Eldorado 230 kV switchyard, Interconnection Customer’s ability to inject its Generating Facility output beyond the Merchant Substation, therefore, will depend on the existing capacity of the 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 Appendix A to this Agreement.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer’s Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider’s Transmission System as a Network Resource, up to the Large Generating Facility’s full output, on the same basis as existing Network Resources interconnected to Transmission Provider’s Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer’s Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility’s ability to provide any applicable Ancillary

Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

- 4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Generating Facility through the portion of its owned facilities at the Merchant Substation.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this Agreement 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 Agreement for its compliance therewith. If such Party is Transmission Provider, then that Party shall amend this Agreement and submit the amendment to FERC for approval.
- 4.4 No Transmission Delivery Service.** The execution of this Agreement does not constitute a request for, nor the provision of, any transmission delivery service under the Tariff and does not convey any right to deliver electricity to any specific customer or delivery point, excluding delivery of power from the Generating Facility over the Interconnection Customer-owned Merchant-Eldorado 230 kV transmission line to the Eldorado 230 kV switchyard.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this Agreement are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Facilities Engineering, Procurement and Construction

- 5.1 Responsibilities.** Transmission Provider's and Interconnection Customer's respective responsibilities relating to the completion of Transmission Provider's Interconnection Facilities and Merchant Upgrades shall be as set forth in Appendix A and Appendix B.
- 5.2 Power System Stabilizers.** 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 Generating Facility. If the 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.
- 5.3 Equipment Procurement.** If responsibility for construction of Transmission Provider's Interconnection Facilities or Merchant Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Merchant Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:
- 5.3.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
 - 5.3.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer; and
 - 5.3.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5.
- 5.4 Construction Commencement.** Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities as soon as practicable after the following additional conditions are satisfied:
- 5.4.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

- 5.4.2** 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;
- 5.4.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer; and
- 5.4.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5.
- 5.5 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.
- 5.6 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' respective Interconnection Facilities and compatibility of such Interconnection Facilities with the Transmission System and shall work diligently and in good faith to make any necessary design changes.
- 5.7 Interconnection Customer's Interconnection Facilities ("ICIF") and Merchant Upgrades.** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF and Merchant Upgrades, as set forth in Appendix A.
- 5.7.1 Interconnection Customer's Facility Specifications.** Interconnection Customer shall submit specifications for the ICIF and Merchant Upgrades, including System Protection Facilities, to Transmission Provider at least sixty (60) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF and Merchant Upgrades 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.
- 5.7.2 Transmission Provider's Review.** Transmission Provider's review of Interconnection Customer's specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, ICIF, or Merchant Upgrades. Interconnection Customer shall make such changes to the ICIF and Merchant Upgrades as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF and Merchant Upgrades are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.
- 5.7.3 ICIF and Merchant Upgrades Construction.** The ICIF and Merchant Upgrades shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF and Merchant Upgrades, such as: a one-line diagram, a site plan showing the Generating Facility, ICIF and Merchant Upgrades, plan and

elevation drawings showing the layout of the ICIF and Merchant Upgrades, 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 Generating Facility to the step-up transformers and the ICIF and Merchant Upgrades, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

- 5.8 Transmission Provider's Interconnection Facilities Construction.** Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. On a monthly basis Interconnection Customer shall provide Transmission Provider a status report on the construction and installation of Transmission Provider's Interconnection Facilities, 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. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities. Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Merchant Upgrades upon completion of such facilities.
- 5.9 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights-of-way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Merchant Substation; (ii) operate and maintain the 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 Agreement. In exercising such licenses, rights-of-way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.10 Lands of Other Property Owners.** If any part of Transmission Provider's Interconnection Facilities and/or Merchant 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 Merchant Upgrades upon such property.
- 5.11 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.

5.12 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 required under this Agreement with the condition that the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so. Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this Agreement pursuant to this Article 5.16 and has not requested Transmission Provider to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement shall be deemed terminated. The three-year period shall begin on the date the suspension is requested or the date of the written notice to Transmission Provider if no effective date is specified.

5.13 Taxes.

5.13.1 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 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.

5.13.2 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 Generating Facility will pass to another party at the 230 kV bus of the Eldorado Substation; (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 Generating Facility. For this purpose, "de minimis amount" means no more than five percent (5%) 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.

5.13.3 Indemnification for Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this Agreement for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this Agreement 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 the 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 (10) 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.

5.13.4 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 Transmission Provider's Interconnection Facilities, 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 Agreement (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) above.

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 Provider pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A.

5.13.5 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 Agreement 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.

5.13.6 Subsequent Taxable Events. If, within ten (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 Agreement terminates and Transmission Provider retains ownership of Transmission Provider's Interconnection Facilities, 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.

5.13.7 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 at Interconnection Customer's sole expense, Transmission Provider may file a claim for a 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; provided, that 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 a 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, that portion of the settlement that is supported by the written advice from a 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.

- 5.13.8 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 Agreement 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 Agreement 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 Agreement, Transmission Provider shall promptly refund to Interconnection Customer the following:
- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon;
 - (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii), from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer; and

- (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i) above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Transmission Provider's Interconnection Facilities hereunder, in the same position they would have been in had no such tax payments been made.

5.13.9 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 Agreement. 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.

5.14 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.15 Modification.

5.15.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities, Merchant Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.15.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, Applicable Reliability Standards and Good Utility Practice.

5.15.3 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 the Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider, in coordination with Interconnection Customer, shall test Transmission Provider's Interconnection Facilities and Merchant Upgrades and Interconnection Customer, in coordination with Transmission Provider, shall test the Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Interconnection Customer shall make any modifications to the facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the 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 Generating Facility to the Merchant Substation in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Party in advance of its performance of tests of its respective 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 such Party's Interconnection Facilities, the System Protection

Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Interconnection Customer shall install Metering Equipment at the location identified in Appendix C prior to any operation of the Generating Facility and each owner of specific Metering Equipment shall be responsible for the operation, testing and maintenance of such specific Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Transmission Provider's option, compensated to the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 7.4. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test the 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 the Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If the Metering Equipment fails to register, or if the measurement made by the Metering Equipment during a test varies by more than two percent (2%) 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 the 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 Generating Facility to the Point of Interconnection.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its 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. The data circuit(s) shall extend from the 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 Generating Facility, a remote terminal unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

- 9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

- 9.2 Control Area Notification.** At least thirty (30) days before the Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Generating Facility will be located. If Interconnection Customer elects to locate the Generating Facility in a Control Area other than the Control Area in which the 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 and remote Control Area generator interchange agreements, if applicable, and the appropriate

measures under such agreements, shall be executed and implemented prior to the placement of the Generating Facility in the other Control Area.

- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System, Transmission Provider's Interconnection Facilities and Merchant Upgrades to be operated, maintained and controlled in a safe and reliable manner and in accordance with this Agreement. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this Agreement and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement. Interconnection Customer shall operate the Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the Transmission System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis.
- 9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1. Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify Transmission Provider's system operator.
- 9.6.3 Governors and Regulators.** Whenever the 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) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such

Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Merchant Substation or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

- 9.6.4 Payment for Reactive Power.** Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility when Transmission Provider requests Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1; provided, that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice and in coordination with the other Party remove from service any of its respective Interconnection Facilities or Merchant Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the 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. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation if during the twelve (12) months prior to the date of the

scheduled maintenance Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party’s Interconnection Facilities or Merchant 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, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider’s ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider; and

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the 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 Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. The Generating Facility’s 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** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the 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 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 Generating Facility.
- 9.7.4.5** Each Party shall test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

- 9.7.5 Requirements for Protection.** In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Transmission System or at the Merchant Substation 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 Generating Facility and the Merchant Substation 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 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 Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the 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.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 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 Generating Facility to the Merchant Substation and shall be used for no other purpose.
- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or the 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, Transmission Provider's Interconnection Facilities and Merchant Upgrades in a safe and reliable manner and in accordance with this Agreement.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other Party in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. 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 and Merchant Upgrades.

Article 11. Performance Obligations

11.1 Interconnection Customer's Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer's Interconnection Facilities described in Appendix A, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Interconnection Customer shall design, procure, construct, install, own and/or control Transmission Provider's Interconnection Facilities described in Appendix A, at the sole expense of Interconnection Customer.

11.3 Merchant Upgrades. Interconnection Customer shall design, procure, construct, install, and own Merchant Upgrades described in Appendix A. Interconnection Customer shall be responsible for all costs related to Merchant Upgrades.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades that are not owned by the Interconnection Customer, including any tax gross-up or other tax-related payments associated with such Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for such Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for such Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for such Network Upgrades not previously repaid; provided, however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date. If the Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse

Interconnection Customer for the amounts advanced for such Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

- 11.4.2 Special Provisions for Affected Systems.** Unless Transmission Provider provides under this Agreement for the repayment of amounts advanced to Affected System Operator for Network Upgrades that are not owned by the Interconnection Customer, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.
- 11.4.3 No Relinquishment of Rights.** Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Generating Facility.
- 11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of Transmission Provider's Interconnection Facilities, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities 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 Article 9.6.3 or 13.5.1, 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

Agreement, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.7 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. Invoices

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 Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six (6) months after completion of the construction of Transmission Provider's Interconnection Facilities, Transmission Provider shall provide an invoice of the final cost of the construction of such Transmission Provider's Interconnection Facilities 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 Agreement.

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 Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory

manner) to cause a material adverse effect on the security of or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the transmission systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of or damage to the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this Agreement 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 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 Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the 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 Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the 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 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 Generating Facility and Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning the Generating Facility's real power and reactive power output within the manufacturer's design limitations of the 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 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 the 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 Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.
- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and this Agreement, Interconnection Customer may take actions or inactions with regard to the 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 Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1, neither Party shall be liable to the other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

- 14.1 Regulatory Requirements.** Each Party's obligations under this Agreement 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 Agreement 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 Agreement and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

- 14.2.2 This Agreement 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 Agreement, any notice, demand or request required or permitted to be given by either Party to the other Party and any instrument required or permitted to be tendered or delivered by either Party in writing to the other Party 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.

Either Party may change the notice information in this Agreement 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 Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.
- 15.4 **Operation 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 **Economic Hardship.** Economic hardship is not considered a Force Majeure event.
- 16.2 **Notice of Force Majeure.** Neither Party shall be considered to be in Default with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state the full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

- 17.1 **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 Agreement or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided, however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice

and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice and, if cured within such time, the Breach specified in such notice shall cease to exist.

- 17.2 Right to Terminate.** If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until a cure occurs and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, 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 Agreement.

Article 18. Indemnity, Consequential Damages and Insurance

- 18.1 Indemnity.** Each Party shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified person.

18.1.1 Indemnified Person. If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** Each Party shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:
- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies

shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to the anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
- 18.3.9** Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided, that such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

Article 19. Assignment

This Agreement may be assigned by either Party only with the written consent of the other Party; provided, that either Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided

further, that Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the 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 Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

If any provision in this Agreement 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 Agreement.

Article 21. Comparability

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either Party to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document or if the information is conveyed orally or by inspection if the Party providing the information orally informs the Party receiving the information that the information is confidential.

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.

Transmission Provider may perform study work using Western Electricity Coordinating Council ("WECC") data (power flow, stability, and disturbance monitoring data) for nonmembers of WECC; provided, that such WECC data is not provided to nonmembers. Under such arrangements the nonmembers are permitted to look at the data in the Transmission Provider's office to gain an understanding of the study results but are not permitted to have the data or a copy of the data. Interconnection Customer, if not a member of WECC, must sign the WECC Nonmember Confidentiality Agreement in accordance with the Applicable Reliability Council policies.

22.2 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.3 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 Agreement; or (6) is required, in accordance with Article 22.1.7, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.4 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 Agreement, 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.
- 22.5 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.
- 22.6 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.7 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.
- 22.8 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 Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.9 Termination of Agreement.** Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion

certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

- 22.10 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.
- 22.11 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR 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 Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party 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.
- 22.12 Disclosure Obligations.** Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties or in 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 Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

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 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 (24) hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** The initial information submission by Transmission Provider shall occur no later than sixty (60) 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.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than sixty (60) Calendar Days prior to Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the Large Generator Interconnection Procedures. It shall also include any additional information provided to Transmission Provider for the Interconnection Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider's 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 System Impact Study Agreement, then Transmission Provider will conduct appropriate studies to determine the impact on the Transmission System based on the actual data submitted pursuant to this Article 24.3. Interconnection Customer shall not begin Trial Operation until such studies are completed.

- 24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described in this Article 24 with any and all "as-built" Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. Interconnection Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) the Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5%) change in 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 the 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 Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal

or field voltages is provided. Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. 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 Agreement.
- 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 Agreement 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 Agreement.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22, 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 Agreement. 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 Agreement. 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 shall be subject to audit for a period of twenty-four (24) 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

Agreement other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) 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 Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.
- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon and shall be construed as having application to any subcontractor of such Party.
- 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 Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").
- Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration

(except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Merchant Upgrades, or Network Upgrades.
- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one-half of the cost of the third arbitrator chosen; or (2) one-half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

Each Party makes the following representations, warranties and covenants:

- 28.1 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 Generating Facility, Interconnection Facilities and Merchant Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement 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 Agreement.
- 28.2 Authority.** Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement 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).
- 28.3 No Conflict.** The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 28.4 Consent and Approval.** Such Party has sought or obtained or, in accordance with this Agreement, 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 Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

Article 29. 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 three (3) 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 Agreement. 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** Establish data requirements and operating record requirements.
- 29.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.3** 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.
- 29.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Merchant Substation.
- 29.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

- 30.1 Binding Effect.** This Agreement 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 Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of such attachment, appendix or exhibit to this Agreement shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This Agreement, 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 Agreement, 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 Agreement), 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 Agreement or such Appendix to this Agreement, 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 Agreement 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 Agreement, 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 Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.
- 30.5 No Third Party Beneficiaries.** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer’s legal rights to obtain an interconnection from Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 30.7 Headings.** The descriptive headings of the various Articles have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 30.8 Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this Agreement 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 Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.
- 30.11 Reservation of Rights.** Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder; provided, that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC’s rules and

regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

NEVADA POWER COMPANY, d/b/a NV Energy

By: _____ \s\ Mario Villar _____

Name: _____ Mario Villar _____

Title: _____ Vice President, Transmission _____

Date Signed: _____ May 28, 2010 _____

EL DORADO ENERGY, LLC

By: _____ \s\ William R. Engelbrecht _____

Name: _____ William R. Engelbrecht _____

Title: _____ Vice President _____

Date Signed: _____ May 19, 2010 _____

Appendix A

Interconnection Facilities, Network Upgrades, Merchant Upgrades, and Affected System Upgrades

To the extent the Generating Facility remains in Transmission Provider's Control Area, the following facilities will be required:

1. Interconnection Facilities:

- a. Interconnection Customer's Interconnection Facilities shall include the following:

CM48 (48 MW) – CM48 is operational. The following facilities were placed into service on or before December 13, 2010:

- 1,000 feet 230 kV, one per phase 795 kcmil 26/7 ACSR conductor transmission line segment and associated structures and hardware.
- One main step-up transformer, 66.667 MVA ONAF, 236kV/34.5kV WYE-WYE configuration.
- One 230 kV disconnect switch and associated support structures.
- Three 38 kV power circuit breakers.
- Five 34.5 kV disconnect switches and associated supporting structures.
- Three phase 34.5 kV bus and associated structure and hardware.
- Five 34.5 kV PTs for relaying purposes.
- 45 kW 34.5kV/480-277 station service transformer
- Protective relaying - transformer differential relay (SEL-387 and SEL-587), SEL-351 directional overcurrent relays.
- Three 230 kV CCVTs at Interconnection Customer's substation for relaying purposes.
- Dual, diverse communication paths through fiber optic cable from the Merchant Substation to the Copper Mountain Solar substation.

CM10 (10 MW) – CM10 is operational. The interconnection of this facility is to be relocated from the 4160 V bus of the El Dorado combined cycle plant to the Copper Mountain Solar 34.5 kV substation. Such relocation will occur whether or not the Generating Facility is transferred to another Control Area. The facilities listed below are associated with the relocation:

- One Step-up transformer, 10/12.5 MVA, 34.5kV/4.16kV DELTA-WYE configuration.
- One 38 kV power circuit breaker.
- One 4.16 kV power circuit breaker.
- One 34.5 kV disconnect switch and associated supporting structures.
- Expansion of the CM48 three phase 34.5 kV bus and associated structures and hardware.
- Protective relaying – transformer differential relay (SEL-587), SEL-351 directional overcurrent relays, SEL-501 dual universal overcurrent relay.

CM92 (92 MW) – CM92 is expected to be operational in late 2012 assuming no Control Area change. In the event the Interconnection Customer does not complete the transfer of the Generating Facility from Transmission Provider's Control Area to another Control Area by the first quarter of 2012, Transmission Provider and Interconnection Customer shall revisit the dates provided herein to determine the timeline for completion of the following facilities:

- New switchyard in ring bus configuration, consisting of three 230 kV power circuit breakers, eight 230 kV disconnect switches, and associated supporting structures.
- 2.5 miles, 230 kV, one per phase 795 kcmil 26/7 ACSR conductor, transmission line segment and associated structures and hardware from CM92 to the Copper Mountain Solar substation.
- One main step-up transformer, 96/128/160 MVA ONAF, 236kV/34.5kV WYE-WYE configuration.
- One 242 kV power circuit breaker, 242 kV disconnect switches, and associated support structures.
- Four 38 kV power circuit breakers, 38 kV disconnect switches, and associated support structures.
- Three 242 CCVTs at Interconnection Customer's substation for relaying purposes.
- Protective relaying – transformer differential relay (SEL-387 and SEL-587), SEL-351 directional overcurrent relays.
- Dual, diverse communication paths through fiber optic cable from the Merchant and Copper Mountain Solar substations to CM92.

b. Transmission Provider's Interconnection Facilities shall include the following:

CM48 (48 MW) – CM48 is operational. The following facilities were placed into service on or before December 13, 2010:

- Revenue metering on the low side of Interconnection Customer's main step-up transformer.
- Three 34.5 kV PTs (revenue quality) for revenue metering and for relaying purposes (synch-check only).

CM10 (10 MW) – CM10 is operational. The following facilities were placed into service shortly after CM10 became operational:

- Revenue metering on the 34.5 kV side of tie into the Copper Mountain Solar substation.

Upon completion of CM92, the above metering installed for CM48 and CM10 will be removed and replaced with new 230 kV revenue metering, CTs and PTs at the Merchant Substation as stated below.

CM92 (92 MW) – CM92 is expected to be operational in late 2012 assuming no Control Area change. To the extent the Generating Facility is not moved from Transmission Provider's Control Area by the first quarter of 2012 to another Control Area, Transmission Provider and Interconnection Customer will revise the dates in Appendix B of this Agreement to address the timeline for installing the facilities required to accommodate the interconnection of CM92 of the Generating Facility, including installation of the following facilities:

- New 230 kV revenue metering, CTs and PTs at the Merchant Substation to monitor the total output of the Generating Facility.

c. Interconnection Customer shall be responsible for the design, engineering, procurement and construction associated with Transmission Provider's Interconnection Facilities for CM48. Such facilities shall be compliant with Transmission Provider's standards and specifications.

Transmission Provider shall be responsible for the design, engineering, procurement and construction associated with Transmission Provider's Interconnection Facilities for CM92.

- d. Project cost projections of work to be performed by Transmission Provider are shown below. Estimated costs will be adjusted to actual pursuant to Article 12.2 of the Agreement.

CM48 (completed)

<u>Description of Work</u>	<u>Cost Estimate</u>
• Communications related (design of tie-in to Merchant Substation and upgrade/reprogramming of RTU at Merchant Substation)	\$34,589
• Project management activities (review, supervision, inspection, testing and coordination)	<u>\$100,000</u>
TOTAL	\$134,589

CM92 (includes any work required for CM10 relocation)

<u>Description of Work</u>	<u>Cost Estimate</u>
• Communications related (design of tie-in to Merchant Substation and upgrade/reprogramming of existing RTU at Merchant Substation)	\$20,000
• New 230 kV revenue metering, CTs and PTs at the Merchant Substation	<u>\$293,000</u>
• Project management activities (review, supervision, inspection, testing and coordination)	<u>\$100,000</u>
TOTAL	\$413,000

2. **Network Upgrades:** None

3. **Merchant Upgrades:**

CM48 (48 MW) – The following facilities were placed into service on or before December 13, 2010:

a. Merchant Upgrades shall include the following:

- Merchant Substation north bus extension westbound to enable the Merchant-Eldorado 230 kV line to be transferred from the south bus to the north bus.
- Bus extension associated structures and hardware.
- One 230 kV disconnect switch and associated support structures at the Merchant-Eldorado 230 kV line position.
- One 230 kV power circuit breaker at the Merchant-McCullough 230 kV line position.
- Two 230 kV disconnect switches and associated support structures at the Merchant-McCullough 230 kV line position.
- Three CCVTs for protective relaying at the new Generating Facility line tie down.
- Protective relaying – SEL-311 line differential relay for primary line protection and SEL-311C line differential relay for backup lineprotection.

- b. The design, engineering, procurement and construction of Merchant Upgrades shall be the responsibility of Interconnection Customer. Such Merchant Upgrades shall be compliant with Transmission Provider's standards and specifications.

CM10 (10 MW) – None

CM92 (92 MW) – None

4. Ownership:

Upon completion of construction, the Parties shall have ownership of the facilities as follows:

- a. Interconnection Customer's Interconnection Facilities shall be owned by Interconnection Customer.
- b. Transmission Provider's Interconnection Facilities shall be owned by Transmission Provider.
- c. Merchant Upgrades shall be owned by Interconnection Customer.

5. Affected System Upgrades:

To the extent the Generating Facility remains in Transmission Provider's Control Area:

- a. Interconnection Customer shall be responsible for a share of the costs of Affected System upgrades required to mitigate disturbances on and to maintain the reliability of Affected Systems directly interconnected to the Transmission System as follows:
 - Mead 230 kV Substation – The past replacement of forty-eight (48) 230 kV, 63 kA circuit breakers with 230 kV, 80 kA circuit breakers, and the replacement/upgrade of all other associated equipment. Design and construction of such facilities was performed by Western Area Power Administration (“WAPA”), the operating agent for the Mead 230 kV substation.
 - McCullough 230 kV Switchyard – If regional fault duty studies show that the fault duty in this switchyard is violated due to the addition of CM92 of the Generating Facility, Interconnection Customer may be responsible for an appropriate share of the costs associated with the replacement of all fifteen (15) 230 kV circuit breakers in the McCullough 230 kV Switchyard.
- b. Interconnection Customer's estimated share of the costs for the Affected System upgrades listed above is as follows:
 - Mead 230 kV Substation – Will be based on the Generating Facility's contribution to fault duty at the Mead 230 kV Substation as a percentage of the total contribution to fault duty from all sources held responsible for the 230 kV breaker replacement project and will be determined in a study to be performed by WAPA at Interconnection Customer's expense. Such percentage will be applied to the actual costs for this Affected System upgrade.
 - McCullough 230 kV Switchyard – Unknown at this time. Subject to the completion of regional fault duty studies. Interconnection Customer will be responsible for an appropriate share of the costs associated with such studies. Estimated costs will be adjusted to actual as soon as the final costs have been determined for this Affected System upgrade.

- c. Interconnection Customer's share of the costs for Affected System upgrades shall be due thirty (30) Calendar Days prior to the Commercial Operation Date.
- d. If the Affected System upgrades are not installed by the Initial Synchronization Date, special interim operating procedures (including acceptable interim fault duty mitigation measures on Affected Systems) may be developed by the Parties to allow Interconnection Customer to temporarily interconnect the Generating Facility to the Transmission System for plant testing, construction and operation purposes. If the Affected System upgrades are not installed by the Commercial Operation Date, the Generating Facility may be subjected to limited plant output until all such fault duty mitigation requirements are completed.

6. Operation and Maintenance Responsibilities:

Each Party's responsibilities for operation and maintenance of the Interconnection Facilities and Merchant Upgrades shall be as follows:

- a. Interconnection Customer's Interconnection Facilities – Interconnection Customer.
- b. Transmission Provider's Interconnection Facilities – Transmission Provider.
- c. Merchant Upgrades – Transmission Provider.

7. Cost Responsibilities:

Cost responsibility for the development, design, engineering, procurement, construction, installation, operation and maintenance of the Interconnection Facilities and Merchant Upgrades shall be as follows:

- a. Interconnection Customer's Interconnection Facilities – Interconnection Customer.
- b. Transmission Provider's Interconnection Facilities – Interconnection Customer.
- c. Merchant Upgrades – Interconnection Customer.

8. Replacements:

The responsibility for the cost of replacement facilities shall be as follows:

- a. Interconnection Facilities – Interconnection Customer.
- b. Merchant Upgrades – Interconnection Customer.

Appendix B

Milestones

Interconnection Customer and Transmission Provider agree to use Reasonable Efforts to meet the following milestones:

CM48 (48 MW) – CM48 is operational.

- Transmission Provider's Interconnection Facilities testing to start February 1, 2010, subject to all Interconnection Customer equipment, conduit and wiring which interfaces with Transmission Provider's facilities being installed by February 1, 2010.
- Merchant Upgrades testing to start February 1, 2010, subject to all Interconnection Customer equipment, conduit and wiring which interfaces with Transmission Provider's facilities being installed by February 1, 2010.
- Interconnection Customer's Interconnection Facilities testing to start February 1, 2010.
- Generating Facility to begin Trial Operation by March 1, 2010 (Initial Synchronization Date).
- Commercial Operation Date of July 31, 2010.

CM10 (10 MW) – Interconnection Customer is responsible for the CM10 relocation work.

- Transfer of the connection of the 10 MW PV solar facility from the El Dorado combined cycle generating facility generation tie-line to the Generating Facility generation tie-line estimated to be completed by September 1, 2011.

CM92 (92 MW)

To the extent the Generating Facility is not moved from Transmission Provider's Control Area by the first quarter of 2012 to another Control Area, Transmission Provider and Interconnection Customer will revise the dates in this Appendix B to address the timeline for installing the facilities required to accommodate the interconnection of CM92 of the Generating Facility.

- Transmission Provider's Interconnection Facilities to be completed in the fall of 2012 if no Control Area change occurs and Interconnection Customer directs Transmission Provider to proceed with the installation of such facilities. Transmission Provider will review and refine the schedule for completion of Transmission Provider's Interconnection Facilities upon execution of this Agreement and receipt of the funds relating to CM92 owed to Transmission Provider by Interconnection Customer as set forth in Section 1.d of Appendix A.
- Trial Operation to begin by no earlier than November 1, 2012 (Initial Synchronization Date) if Interconnection Customer notifies Transmission Provider to proceed with such operation before the end of 2011 or otherwise notifies Transmission Provider before the end of 2011 that it will not be seeking to move the Generating Facility from Transmission Provider's Control Area to another Control Area.

- Commercial Operation Date of no earlier than December 1, 2012 (first 10 MW) and July 31, 2013 (full 92 MW) if Interconnection Customer notifies Transmission Provider to proceed with the scope of this Agreement before the end of 2011 or otherwise notifies Transmission Provider before the end of 2011 that it will not be seeking to move the Generating Facility from Transmission Provider's Control Area to another Control Area.

Appendix C

Interconnection Details

Type of Interconnection Service: Energy Resource

Generating Facility: Solar photovoltaic electric generating plants located in Boulder City, NV.

Generating Facility Capacity: CM48 = 48 MW (AC)
CM10 = 10 MW (AC)
CM92 = 92 MW (AC)
Total Capacity = 150 MW (AC)

Point of Interconnection:

The Point of Interconnection will be at the point where Interconnection Customer's Interconnection Facilities connect to the Merchant Substation (see one line diagram included in this Appendix C).

Nominal Delivery Voltage: 230 kV

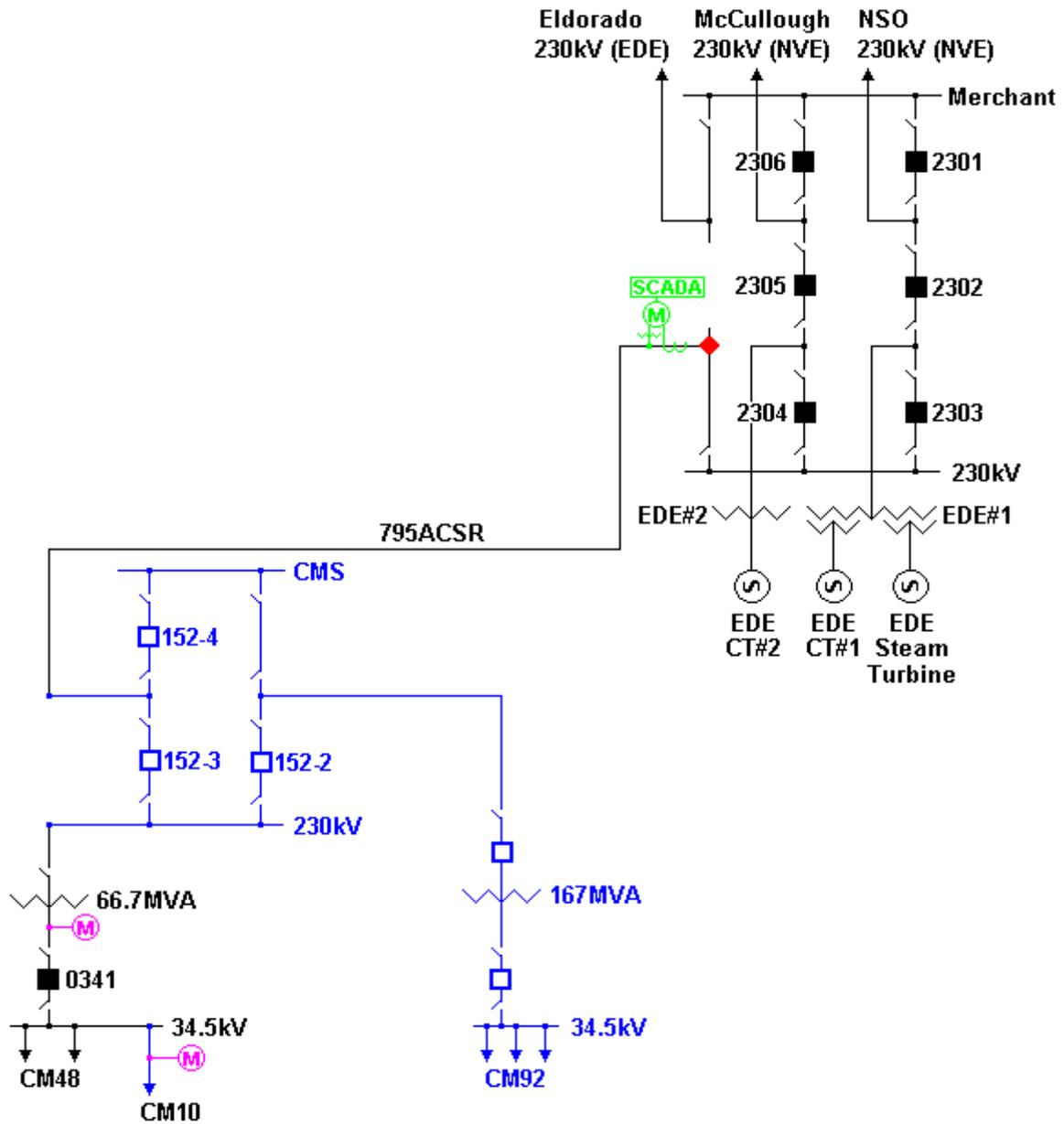
Metering Voltage: 230 kV

Requirements for Interconnecting Photovoltaic (PV) Generators:

1. Power System Stabilizers (PSS) – The Generating Facility is a PV generator and as such does not have the physical characteristic to which a PSS would apply. Article 5.2 of the Agreement contains a provision deferring to the guidelines and procedures established by the Applicable Reliability Council.
2. Governors – The Generating Facility is a PV generator and as such does not have the physical characteristic to which a governor would apply. Since the Generating Facility will normally operate at the maximum output achievable under any given conditions, the requirement to increase output does not apply. The Generating Facility shall be capable of reducing output in increments commensurate with the Generating Facility's capability to remotely shut off groups of PV panels.
3. Low Voltage Ride Through (LVRT) – The Generating Facility shall be capable of low voltage "ride through" in accordance with the guidelines and procedures established by the Applicable Reliability Council or Transmission Provider.
4. Under-Frequency/Over-Frequency Ride Through – The Generating Facility shall be capable of under-frequency and over-frequency "ride through."
5. SCADA – Required as shown in the one line diagram included in this Appendix C.
6. Reactive Power – As long as the Generating Facility is located in Transmission Provider's Control Area, Interconnection Customer shall be responsible for making arrangements to be capable of providing reactive power support if Transmission Provider demonstrates the need for such support via a system impact study. Such arrangements include, but are not limited to, entering into an agreement with the owner of the El Dorado Generating Station which is also connected to the Merchant Substation to provide the reactive power support or to install equipment capable of providing the reactive power support. The choice of how to provide any

demonstrated need for reactive power support is at the sole discretion of Interconnection Customer.

One Line Diagram of Generating Facility Interconnection to Merchant Substation



- (M) — Remove (TPIF) upon completion of CM92
- ◆ Point of Interconnection
- (M) — Transmission Provider's Interconnection Facilities (TPIF)
- Proposed Bus/Line (ICIF) — Existing Bus/Line
- Proposed PCB (ICIF) Existing PCB

Appendix D

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all transmission providers, market participants, and interconnection customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E

Testing and Commercial Operation

1. Sample letter to be sent to Transmission Provider from Interconnection Customer on **TWO (2)** separate occasions: one week prior to commercial testing and one week prior to commercial operation.

[Date]

Ms. Patricia Englin
Director, Transmission Policy and Contracts
NV Energy
6100 Neil Road – M/S S3B40
Reno, NV 89511

Subject: Copper Mountain Solar

Dear Ms. Englin:

On [Date plus one week], Copper Mountain Solar proposes to commence testing of the generators located at such facility.

OR

On [Date plus one week], Copper Mountain Solar proposes to commence Commercial Operation of the generators located at such facility.

Sincerely,

[Name]
El Dorado Energy, LLC

2. Sample letter to be sent by Transmission Provider to Interconnection Customer authorizing the commencement of testing of the Generating Facility.

[Date]

[Name 1]

[Title]

[Company]

[Address]

[City, State Zip Code]

Subject: Copper Mountain Solar

Dear [Name 1]:

On _____, Nevada Power Company, doing business as NV Energy (“Transmission Provider”), and El Dorado Energy, LLC (“Interconnection Customer”) completed to their mutual satisfaction their respective work on the Interconnection Facilities and Merchant Upgrades and have energized the subject solar facility in parallel operation with the Transmission System.

This letter confirms that Interconnection Customer may commence testing of such solar facility and the associated Interconnection Facilities effective as of _____.

Sincerely,

[Name 2]

NV Energy

Appendix F

Addresses for Delivery of Notices and Billings

- 1. Notices:** Notices can be communicated in the form of either written notices sent by the U.S. Mail or alternative courier to the listed addresses of the designated representatives or electronically via e-mail to the e-mail addresses listed for each representative.

Transmission Provider:

Administrative

NV Energy
Attn: Director, Transmission Policy
and Contracts
P.O. Box 10100 – M/S S3B40
Reno, NV 89520-0024
or
6100 Neil Road – M/S S3B40
Reno, NV 89511
E-Mail: TransmissionPolicy@nvenergy.com

Operations

NV Energy
Attn: Manager, T&D Operations
P.O. Box 98910 – M/S B57SC
Las Vegas, NV 89151-0001
or
7155 Lindell Road – M/S B57SC
Las Vegas, NV 89118
E-Mail: ESCCOperations@nvenergy.com

Interconnection Customer:

Administrative

Ms. Leslie Padilla
Director – Planning & Analysis
Sempra Generation
101 Ash Street, HQ14A
San Diego, CA 92101
E-Mail: LPadilla@SempraGeneration.com

Operations

Ms. Emily Shults
Manager – Origination & Portfolio Optimization
Sempra Generation
101 Ash Street, HQ14D
San Diego, CA 92101
E-Mail: EShults@SempraGeneration.com

2. Billings and Payments:

a. For Payments:

To Transmission Provider: NV Energy
P.O. Box 30094
Reno, NV 89520-3094

(or by wire transfer pursuant to the instructions included with the invoice)

To Interconnection Customer: El Dorado Energy, LLC
Attn: Ms. Elsa Valay, Principal Accountant
Sempra Global
101 Ash Street, HQ6B
San Diego, CA 92101
E-Mail: EValay@SempraGlobal.com

b. For Billings:

To Transmission Provider: NV Energy
Attn: Director, Transmission Policy
and Contracts
P.O. Box 10100 – M/S S3B40
Reno, NV 89520-0024
E-Mail: TransmissionPolicy@nvenergy.com

To Interconnection Customer: El Dorado Energy, LLC
Attn: Ms. Elsa Valay, Principal Accountant
Sempra Global
101 Ash Street, HQ6B
San Diego, CA 92101
E-Mail: EValay@SempraGlobal.com

3. Alternative Forms of Delivery of Notices (telephone or facsimile):

Transmission Provider:

	<u>Administrative</u>	<u>Operations</u>
Name:	Ms. Patricia Englin	Mr. Shahzad Lateef
Telephone:	775-834-5877	702-402-6601
Facsimile:	775-834-3047	702-402-6631

Interconnection Customer:

	<u>Administrative</u>	<u>Operations</u>
Name:	Ms. Leslie Padilla	Ms. Emily Shults
Telephone:	619-696-4425	619-696-2240 / 619-517-1435
Facsimile:	619-696-2119	619-696-1805

4. Emergency Communications:

If an emergency situation occurs and time is of the essence in communicating the situation to the other Party, a Party may notify such other Party's contact personnel by telephone to be followed up by written notice.

AMENDED AND RESTATED
SMALL GENERATOR INTERCONNECTION AGREEMENT
SERVICE AGREEMENT NO. #10-01251

Between

NEVADA POWER COMPANY d/b/a
NV ENERGY

And

CC LANDFILL ENERGY, LLC

Date _____

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Small Generator Interconnection Agreement Attachments

- Attachment 1: Glossary of Terms**
- Attachment 2: Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment**
- Attachment 3: One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades**
- Attachment 4: Milestones**
- Attachment 5: Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs**
- Attachment 6: Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs**

This Amended and Restated Interconnection Agreement (“Agreement”) is made and entered into this ____ day of October, 2011, by Nevada Power Company d/b/a NV Energy (“Transmission Provider”), and CC Landfill Energy, LLC (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to 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 Small Generating Facility in Attachment 2 to this Agreement; and,

WHEREAS, on November 1, 2010, Interconnection Customer and Transmission Provider entered into a Small Generator Interconnection Agreement (“SGIA”) designated as Service Agreement No. #10-01251;

WHEREAS, Interconnection Customer and Transmission Provider agreed that the Appendices of the SGIA should be amended to reflect both design and timing changes.

NOW, THEREFORE, the Parties agree to amend and restate the SGIA, which is replaced and superseded in its entirety by this Amended and Restated Standard Small Generator Interconnection Agreement, and in consideration of and subject to the mutual covenants contained herein, it is agreed:

Transmission Provider Information

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Director, Transmission Policy & Contracts
Address: 6100 Neil Rd OR P.O. Box 10100
City: Reno State: NV Zip: 89520
Phone: (775)834-5877 Fax: (775)834-3047 E-mail: TransmissionPolicy@nvenergy.com

Interconnection Customer Information

Interconnection Customer: CC Landfill Energy, LLC
Attention: Ed Lim
Address: 9121 Russell Road, Suite 117
City: Las Vegas State: NV Zip: 89148
Phone: (702)650-7161 Fax: (702)650-7180 E-mail: ELim@Energenic-us.com

Interconnection Customer Application No: Company 63/75

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1** This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2** This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3** This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider or Affected Systems.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel,

and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power

Service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1** The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2** The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

- 2.3.1** Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions-- “Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer’s operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider’s Transmission System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties’ facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair
The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider’s Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider’s Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission

System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or Affected System operator will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or

develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

- 5.2.1.2** If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational

harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

- 6.3.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2** The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1** Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third

party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected

by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

- 7.6.1** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2** If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1** The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2** The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or

divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4** The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5** Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6** If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1** The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Agreement

and each of its provisions shall be governed by the laws of the state of Nevada (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any

publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: CC Landfill Energy, LLC

Attention: Ed Lim

Address: 9121 Russell Road, Suite 117

City: Las Vegas State: NV Zip: 89148

Phone: (702)650-7161 Fax: (702)650-7180 E-mail: ELim@Energenic-us.com

If to the Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy

Attention: Director, Transmission Policy & Contracts

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5877 Fax: 775-834-3047

E-Mail: TransmissionPolicy@nvenergy.com

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: CC Landfill Energy, LLC

Attention: Ed Lim

Address: 9121 Russell Road, Suite 117

City: Las Vegas State: NV Zip: 89148

Phone: (702)650-7161 Fax: (702)650-7180 E-mail: ELim@Energenic-us.com

If to the Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Director, Transmission Policy & Contracts

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5877 Fax: 775-834-3047

E-Mail: TransmissionServices@nvenergy.com

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below

If to the Interconnection Customer:

Interconnection Customer: CC Landfill Energy, LLC

Attention: Ed Lim

Address: 9121 Russell Road, Suite 117

City: Las Vegas State: NV Zip: 89148

Phone: (702)650-7161 Fax: (702)650-7180 E-mail: ELim@Energenic-us.com

If to the Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Contracts Agent

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-4802 Fax: 775-834-3047

E-Mail: TransmissionPolicy@nvenergy.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: CC Landfill Energy, LLC

Attention: Sandy Smith

Address: 9121 Russell Road, Suite 117

City: Las Vegas State: NV Zip: 89148

Phone: (702)650-7168 Fax: (702)650-7180 E-mail: ssmith@energenic-us.com

Operations: (Alternative)

Interconnection Customer: CC Landfill Energy, LLC

Attention: Ed Lim

Address: 9121 Russell Road, Suite 117

City: Las Vegas State: NV Zip: 89148

Phone: (702)650-7161 Fax: (702)650-7180 E-mail: ELim@Energenic-us.com

Transmission Provider's Operating Representative:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Director, Electric System Control Operation

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5874 Fax: 775-834-3047

E-Mail: ESCCOperations@nvenergy.com

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

Nevada Power Company d/b/a NV Energy

Signature: _____

Name: (Printed): _____ Mario Villar

Title: _____ Vice President, Transmission

Date: _____

CC Landfill Energy, LLC

Signature: _____

Name: (Printed): _____

Title: _____

Date: _____

Glossary of Terms

Affected System – An electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution System – 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 – The additions, modifications, and upgrades to the Transmission Provider’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature,

rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Facilities – The Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer’s request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider’s Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider’s Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider’s Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider’s Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider’s requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider’s Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Tariff – The Transmission Provider or Affected System’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2 to SGIA

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

CC Landfill Energy LLC (CCLE) – 9.34 MW – Biomass Energy

1. Interconnection Customer's Interconnection Facilities (ICIF)

- a. Two (2) 4.16kV Breakers at the CCLE plant site
- b. One (1) 12.47 kV Breaker on the high side of the CCLE owned transformer
- c. One (1) 12.47 kV/4.16 kV Step up Transformer located at the CCLE plant site
 - i. Transmission Provider to review configuration and specifications
- d. Generating Facility protection relays
- e. Design and build approximately one mile of 12.47 kV generator lead line built at 3-954 ACSR and 1-2/0 ACSR neutral to the Point of Interconnection breaker adjacent to the Gypsum 1208 Feeder south of Pole P82627. Line to be built in accordance with Good Utility Practice. Line to include fiber optic cable.
- f. IC will acquire all Federal/State/County/Local/Private Permits and easements (permanent and temporary) associated with IC's plant, to include:
 - i. Interconnection Customer Interconnection Facilities—inclusive of Generating Facility and all related plant facilities, wells, pumps, pipelines, roads, etc.
 - ii. Approximately one mile of Generator lead line 12.47 kV 954 ACSR 1-2/0 ACSR neutral and one (1) fiber optic cable
 - iii. Temperature Controlled Enclosure at Point of Interconnection Breaker
 - iv. IC will coordinate permitting efforts with the TP and provide the necessary support that will be required in order to obtain permits for TPIF and Distribution Upgrades
- g. Generating Facility Communication at IC plant– T-1 line (or equivalent) to accommodate:
 - i. One ring down line from Generation facility to TP's Energy System Control Center (ESCC) that is specifically dedicated for TP's use.
 - ii. One 4-wire voice grade data line or equivalent between new RTU at Generation facility and TP's Energy System Control Center (ESCC) that is specifically dedicated for TP's use
 - iii. If the above telecommunication circuits are via copper circuits, then Optical Ground Protection Rise (OGPR) isolation is expected and is the responsibility of IC, per applicable industry standards

- h. Two(2) 125 VDC and One (1) 120 VAC load center breakers dedicated for TP communications use (20 amp minimum) located at the plant site
- i. Design and Build a Temperature Controlled Control Room at Plant Site
 - i. Generator shall provide a suitable area in the control room at the Generator's Facility where TP will install up to two (2) 8'x26" racks for TP's communications equipment. Working space of four feet to be provided on all sides of this area.
- j. Metering Requirements at the POI Breaker
 - i. Service equipment and metering enclosure shall comply with NVE RPM 4xx standards.
- k. Detailed Communications and Protection Requirements are in Attachment 3 to the SGIA

2. Transmission Provider's Interconnection Facilities (TPIF)

- a. IC to design and Build a New Temperature Controlled Enclosure at Point of Interconnection Breaker for Transmission Provider to Transmission Provider specifications. Following the approval of design of the enclosure TP will own the enclosure after it is constructed by IC.
 - i. Enclosure must be within 300' of breaker
 - ii. Generator shall provide a enclosure at the Point of Interconnection Breaker where TP will install equipment, such as D.C. power system, (NOTE: the 12 kV breaker and relaying at the POI will be 48 VDC to support the breaker and associated relay. This enclosure shall be at least 12' x 12', and shall be accessible solely by TP via locked door. Details, including actual dimension of the room , lighting, floor style, etc. to be agreed upon in the technical meetings following Project Initiation Milestone.
 - iii. IC shall take all necessary steps to transfer title of the control enclosure and any applicable manufacturer warranties to the TP.
- b. One (1) ION revenue quality meter
- c. Meter Class Potential Transformer's and Current Transformer's for meter at POI Breaker. TP to provide and IC to install.
- d. TP to provide temporary 12kV pole mounted metering with a meter cabinet at the existing take off pole during construction for construction power. TP shall remove the temporary meter following the notification by IC of the startup for the testing of the generation facility.
- e. Communication facilities (dial up telephone line or Ethernet link) for the permanent meter located at the Point of Interconnection control enclosure
- f. One (1) RTU located at plant site, IC fiber to provide connectivity to the meter at the POI breaker
- g. One (1) pole with pole-mounted transformer for station power at the Point of Interconnection
- h. One (1) 12.47 kV breaker located approximately 200' from pole P82627
- i. Miscellaneous Communication cables and link equipment

- j. Review of Plant and 12.47 kV lead line protection

3. Network Upgrades:

- a. Stand Alone Network Upgrades

(Description of such facilities including diagram, and details of Party(ies) responsible for design and construction of such required upgrades)

- a. None

- b. Network Upgrades

(Description of required upgrades to Transmission System that would be designed and constructed by Transmission Provider)

- b. None

4. Distribution Upgrades:

(Description of all required upgrades to Transmission Provider's distribution facilities needed in order to interconnect the Generating Facilities)

- a. TP will acquire all necessary Federal/State/County/Local/Private Permits and easements(permanent and temporary) for modifications required on TP's existing facilities, to include:
 - 1. Bureau of Land Management permits:
 - i. One (1) 3-1000 MCM riser at pole located one span south of P82627
 - ii. Approximately 5 miles of Fiber installation on existing Gypsum 1208 feeder
 - iii. Approximately 1 mile of Distribution Reconductor on existing Gypsum 1208 Feeder
 - 2. Union Pacific Railroad crossings
 - 3. Nevada Department of Transportation
 - i. Interstate Route No. 15 Crossings
 - ii. US Highway No. 93 Crossings
 - 4. Private Easements on IC Facilities
 - 5. Interconnection Customer to sign, notarize, and provide all necessary distribution, fiber optic, and access easements on lands owned by IC, including those needed for access to Transmission Provider's facilities Clark County permits:
 - i. Waiver of Development Standards to allow distribution service to be placed above ground
- b. Re-conductor existing 12.47 kV 3-2/0 ACSR conductor to 3-954 ACSR conductor from pole P94775 to pole P82628
- c. Upgrade relaying on Gypsum 1208 feeder breaker
- d. Install a Voltage Transformer on the line side of the Gypsum 1208 feeder breaker
- e. Upgrade Communications and/or RTU at Gypsum Substation
- f. Coordinate with IC for all necessary permitting associated with IC for Distribution Upgrade facilities
- g. Review and Upgrade existing Distribution System Protection at Gypsum Substation

- h. Provide to IC for installation the Meter Class Potential Transformers and Current Transformers for the new meter
- i. Install fiber optic communications link between 12.47kV point of interconnection breaker and the Gypsum 1208 feeder breaker

5. Ownership:

Upon completion of construction, the Parties shall have ownership of the facilities as follows:

- a. Interconnection Customer’s Interconnection Facilities shall be owned by the Interconnection Customer.
- b. Transmission Provider’ Interconnection Facilities shall be owned by the Transmission Provider.
- c. Stand Alone Network Upgrades shall be owned by the Transmission Provider.
- d. Other Network Upgrades shall be owned by the Transmission Provider.
- e. Distribution Upgrades shall be owned by the Transmission Provider.

6. Affected System Upgrades:

Affected System Upgrades – The following Affected System Upgrades have been determined to be needed in order to mitigate disturbances on and maintain the reliability of Affected Systems directly or indirectly interconnected to the Transmission System.

- a. None

7. Operation and Maintenance Responsibilities:

Each Party’s responsibilities for operation and maintenance of the Interconnection Facilities, Network Upgrades and Distribution Upgrades shall be:

Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the facilities as follows:

- a. Interconnection Customer’s Interconnection Facilities shall be operated and maintained by Interconnection Customer.
- b. Transmission Providers’ Interconnection Facilities shall be operated and maintained by Transmission Provider and paid for by Interconnection Customer.
- c. Stand Alone Network Upgrades shall be operated and maintained by Transmission Provider.
- d. Other Network Upgrades shall be operated and maintained by Transmission Provider.
- e. Distribution Upgrades shall be operated and maintained by Transmission Provider.

8. Cost Estimates & Responsibilities:

- a. Interconnection Customer’s Interconnection Facilities: Interconnection Customer.

- b. Transmission Provider’s Interconnection Facilities (TPIF) : **\$1,065,845** Estimated costs will be updated 30 days following “Project Initiation and Confirmation Meeting” milestone.

12.47kV Line Tap, Line Extension	\$ 33,100
12.47kV Breaker	\$ 356,000

Fiber from Gypsum Substation to TP's 12.47kV breaker	\$287,000
Metering at Interconnection Customer Site	\$ 75,000
Communications at Interconnection Customer Site	<u>\$ 39,000</u>
TOTAL (TPIF)	\$790,100
Estimated CIAC Tax at 34.9%	\$275,745
<u>TOTAL including TAX</u>	<u>\$1,065,845</u>

- Total Estimated Cost to Interconnection Customer listed above does include an estimated gross up. The gross up rate can change significantly over time. The rate that is listed above may not be the rate that is in effect at the time of collection.
- A gross up on Contributions in Aid of Construction (CIAC) will be assessed unless the CIAC or the transfer of the intertie meets the safe harbor requirements of IRS Notice 2001-82 and IRS Notice 88-129. The CIAC gross up will be computed based on the rate in effect on the day of collection of said tax gross up under this agreement.

• **All Costs will be tried to actual after the completion of the Project.**

c. Stand Alone Network Upgrades: \$0 – Interconnection Customer.

d. Network Upgrades: None

e. Distribution Upgrades: \$607,050– Interconnection Customer responsible for all construction costs. Interconnection Customer shall provide security/collateral pursuant to Article 6.3 of the SGIA and Attachment L of the Open Access Transmission Tariff.

Distribution Line Re-conductor	\$356,000
Communication Upgrade at Gypsum Substation	\$ 42,000
Permitting Coordination and Assistance	<u>\$ 52,000</u>
TOTAL	\$ 450,000
Estimated CIAC Tax at 34.9%	\$ 157,050
<u>TOTAL including TAX</u>	<u>\$607,050</u>

- Total Estimated Cost to Interconnection Customer listed above does include an estimated gross up. The gross up rate can change significantly over time. The rate that is listed above may not be the rate that is in effect at the time of collectionA gross up on Contributions in Aid of Construction (CIAC) will be assessed unless the CIAC or the transfer of the intertie meets the safe harbor requirements of IRS Notice 2001-

82 and IRS Notice 88-129. The CIAC gross up will be computed based on the rate in effect on the day of collection of said tax gross up under this agreement.

- **All Costs will be trued to actual after the completion of the Project.**

f. Affected System Upgrades: \$0 – Interconnection Customer.

g. Other Costs: \$0 – Interconnection Customer – Lands/easement costs.

Additional facilities/design related to the interconnection that have not been included in Attachment 2, or otherwise addressed herein, will be addressed through specified project meetings to be set up by the parties, and the design for any such facilities will be mutually agreed to by both of the parties.

Attachment 3 to SGIA

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

CC Landfill Energy LLC – 9.34 MW Net – Biomass Energy

Point of Interconnection:

The Point of Interconnection shall be at the existing Gypsum 1208 12.47 kV Line south of Pole P82627. See Drawing A-1.

Point of Ownership:

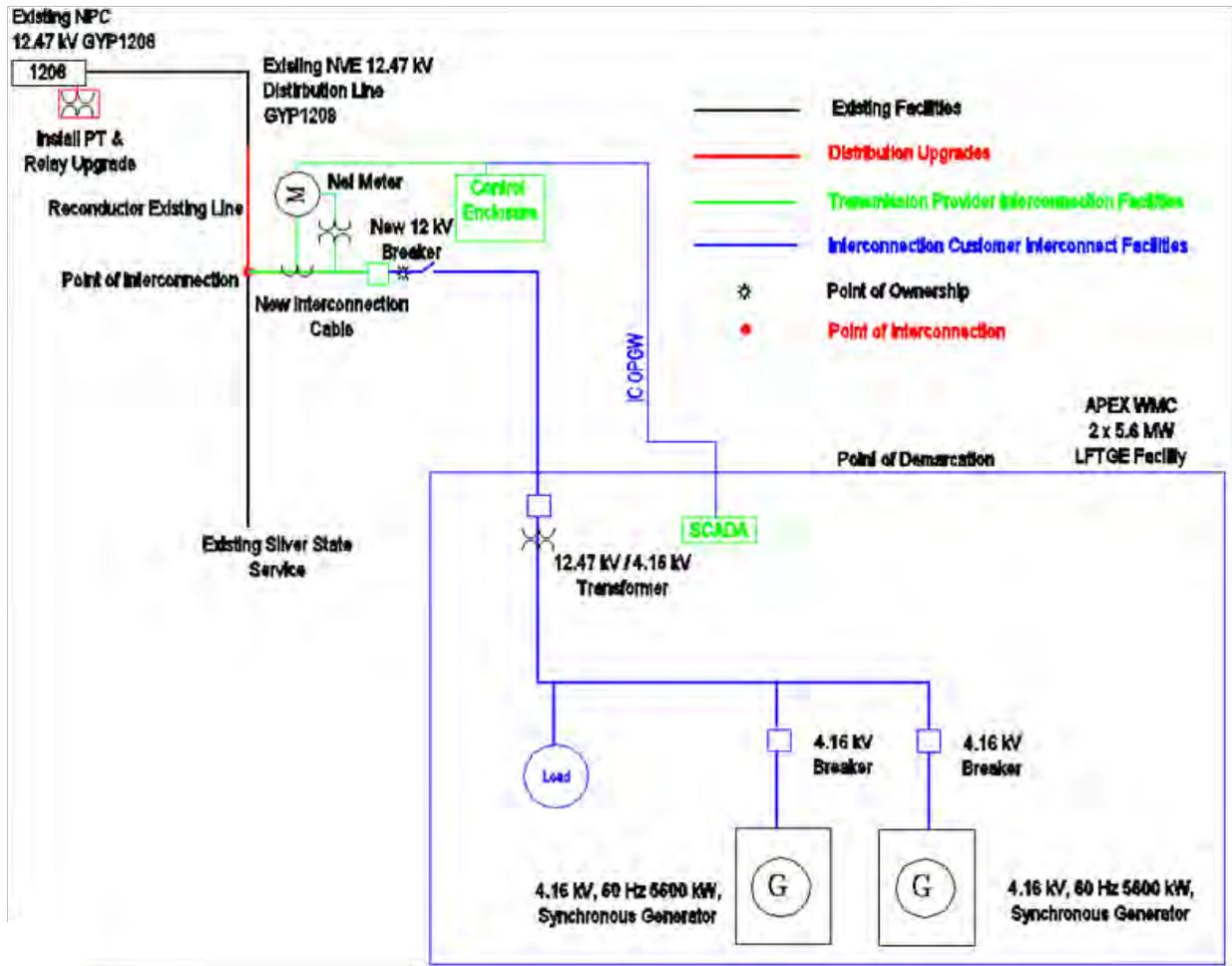
The Point of Interconnection shall be where the Interconnection Customer's 12.47 kV generator lead line terminates at the NV Energy owned 12.47kV breaker. See Drawing A-1.

Interconnection Service Type: Network Resource Interconnection Service

Nominal Delivery Voltage: 12.47 kV

Metering Voltage: 12.47kV

Drawing A-1 One-Line Diagram



Communications and Protection Requirements

- a. Generating Facility telemetry outputs:
 - i. Generator Plant total MW, MVar, 3-phase amps, 3-phase volts (L-G referred to L-L) and accumulated MWhr in and out. Fiber will be required if the distance between the meter and the Transmission Provider's RTU exceeds 1500 feet.
 - b. Hard wired open/closed indication for transformer circuit breakers/circuit switchers to TP's ESCC (Energy System Control Center)
 - c. Each feeder breaker status open/closed indication (assuming multiple feeders to the geographically dispersed generators)
 - d. Tripped/Reset indication of all GSU and line protection lockouts – totalized such that there is one indication per facility
 - e. Automatic Voltage Regulator (AVR) status – On/Off indication that the AVR is in Voltage Control Mode
 - f. Load Tap Changer (LTC) indication tap position and manual on/off indication (if GSU is equipped with LTC)
 - g. Note—Remote Terminal Unit (RTU) at POI breaker to which output will be delivered is to be designated as the Master RTU. The IC will supply an interface that will allow the Transmission Provider's RTU to be the Master (polling) device.
 - h. Generating Facility control points—NV Energy will require the following control points:
 - ii. Trip control of generator's 4.16 kV breakers
- Checklist of items that must be completed prior to proceeding with any energization for IC's:
 - Review by NV Energy for coordination purposes of IC's protection settings
 - IC must perform both calibration and functional trip tests of its System Protection Facilities and report results back to NVE
 - Complete communications required
 - SCADA indications at plant substation operational with full NVE ESCC access
 - Adequate voice communication at IC substation (cell or land line at sub)
 - NVE to trip-test IC's main interrupting device(s) from the RTU control point
 - IC to acknowledge in writing that all plant systems are adequately protected and have been tested
 - IC and NVE to have Start Up and Synchronization process meeting 1 day prior to Start Up and Synchronization event

Attachment 4 to SGIA

Milestones

In-Service Date: November 18, 2011

Critical milestones and responsibility as agreed to by the Parties:

CC Landfill Energy LLC Project Milestones		
Generator Interconnection Facilities ("IC or Generator")		Date
IC to pursue all necessary permits including TP's permits		Upon Execution
IC & TP to setup regular project meeting schedule		Upon Execution
IC TPIF & Distribution Upgrades costs paid in full to TP		Completed - 11/22/2010
IC to provide TP with security in the form of irrevocable LOC for CIAC		Completed - 11/30/2010
Project Initiation and Confirmation Mtg. (TP and IC)		Completed - 1/27/2011
Provide Transformer specification data to TP		Completed - 8/23/2011
Control Enclosure Preliminary Design provided to TP		Completed - 2/2/2011
Provide Modified One-line with Scheme Descriptions and Relay Settings to TP		Completed - 4/27/2011
Plant & POI Control Room construction completed with cable trays and 100% TP access		Completed - 7/3/2011
Provide AC and DC load centers dedicated for TP use		Completed - 7/3/2011
Primary substation service power complete at plant & POI control enclosure		10/1/2011
Meter Enclosures complete at plant & POI control enclosure		Completed - 7/3/2011
Provide 125 Volt DC to meter socket at plant & POI control enclosure		Completed - 8/19/2011
Provide Transformer testing data to TP		Completed - 8/23/2011
Provide TP operation plan for generator start up		10/1/2011
Generator Facility protection relays complete		10/1/2011
Provide Ring Down line from Generator Control Room ESCC		10/3/2011
IC Interconnection Facilities completed - Provide notice to TP		10/1/2011
Backfeed Power Required		10/5/2011
Start Up and Synchronization Required - Provide notice to TP and Company providing service		11/4/2011
Generator Testing Start Date - Provide notice to TP		10/10/2011
Facility Trip Testing - Provide notice to TP		11/18/2011
Commercial Operation Date - Provide notice to TP		12/2/2011*

Transmission Provider Milestones on the next page

* Indicates Early CO Date. Late CO Date is 3/18/2012

Transmission Provider Interconnection Facilities ("TP")	
IC & TP to setup regular project meeting schedule	upon execution
Receive Permits from BLM, UPRR, NDOT, Private Easements*	Approximately eight (8) months from execution date (actual timing dependent upon the permitting entities)
Transmission Provider Interconnection Facilities Completed	Not earlier than 11/18/2011 provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per IC milestones above, and the IC has provided required securities and notices to the TP per IC milestones above. (*)
Interconnection In-Service	Not earlier than 11/18/11 provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per IC milestones above, and the IC has provided required securities and notices to the TP per IC milestones above. (*)
* Permitting is subject to processing and obtaining all necessary approvals by BLM, UPRR, NDOT, Private Land owners and other various applicable regulatory agencies and/or private land owners.	

Agreed to by:

For the Transmission Provider _____ Date _____

For the Interconnection Customer _____ Date _____

**Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

The following shall be the additional operating requirements that must be met by generator interconnection customers prior to operating in parallel with the Transmission Provider's System.

1. **Operating Procedures.** Prior to energization and operation of the generating facility, the Interconnection Customer (IC) will be provided generator Electrical System Control Center (ESCC) operating procedure requirements that the IC must follow in order to interconnect its facilities to NV Energy's transmission system and to operate its interconnected facilities. The generator ESCC operation procedure requirements includes operating protocols and standards required to be followed by the IC related to, but not limited to, the following:
 - a. Demarcation of ownership of facilities and assignment of responsibilities between the Transmission Provider (TP) and Interconnection Customer;
 - b. Certification process for electrical system control center qualified personnel
 - c. Process and procedures for switching operations
 - d. Communication protocols for switching operations
 - e. Generator synchronization procedures
 - f. Notice requirements prior to undertaking switching activities
 - g. Process and procedures for making modifications to equipment
 - h. Minimum access rights requirements
 - i. Outage coordination requirements
 - j. Clearance procedures (i.e., lock-out/tag-out)
 - k. Personnel training and orientation requirements
 - l. General notification requirements

2. **Standards.** The IC will be required to meet the all applicable North American Electric Reliability Corporation (NERC) and/or Western Electricity Coordinating Council (WECC) reliability standards; as such standards may be amended from time to time. In addition, as these standards address facilities that may have a direct impact on the operation and reliability of the transmission system, each IC is required to provide the following information to the TP to demonstrate how the IC has satisfied the following NERC/WECC reliability requirements:
 - a. Sabotage Reporting:

- a. CIP-001-1 R1
- b. CIP-001-1 R2
- b. Disturbance Reporting:
 - a. EOP-004-1 R3
- c. System Protection Coordination:
 - a. PRC-001-01
- d. Reliability Responsibilities and Authorities:
 - a. TOP-001-1 R3
 - b. TOP-001-1 R14
- e. Normal Operations Planning:
 - a. TOP-002-2 R3
 - b. TOP-002-2 R14
- f. Planned Outage Coordination:
 - a. TOP-003-0 R2
 - b. TOP-003-0 R3
- g. Voltage and Reactive Control, Network Voltage:
 - a. VAR-001 R3
 - b. VAR-001 R4
 - c. VAR-001 R6
 - d. VAR-002-1 R1
 - e. VAR-002-1 R2
 - f. VAR-002-1 R3
 - g. VAR-002-1 R4
- h. Any other applicable NERC Standards, as adopted by the WECC, or NERC, or their successor organizations, and as such standards may be amended from time to time, as requested by the TP.

3. Load Tap Changers (LTC). The LTC may not be operated in Automatic mode. The IC is required to notify the TP in order to coordinate any proposed tap changes on the generator step-up unit transformer (GSU) load tap changer (LTC). No IC shall be permitted, except under the direction of TP's ESCC, to change the tap on the GSU LTC.

4. Remote Terminal Unit. Prior to the initial Synchronization date, a Remote Terminal Unit, or equivalent data collection and transfer equipment must be installed to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the Transmission Provider through the use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) will be specified by the Transmission Provider. Instantaneous bi-directional real time power and reactive power flow information must be telemetered directly to the location(s) specified by the Transmission Provider.

5. **Under-Frequency and Over Frequency Conditions.** In the event of an under-frequency system disturbance, the Transmission System is designed to automatically activate a load-shedding program, pursuant to the requirements set forth by the WECC/NERC, or their successor organizations. The IC shall implement under-frequency and over-frequency relay set points for the Small Generating Facility as required by the WECC/NERC or their successor organizations, to ensure “ride through” capability of the generator on the Transmission System. The Small Generating Facility’s response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be provided to the TP, and its response to frequency deviations shall be coordinated with the TP 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, as required in accordance with Good Utility Practice.

6. **Start Up and Synchronization Checklist.** Prior to proceeding with any Start Up and Synchronization activities for the IC’s generating facility, the IC must complete the following checklist of items:
 - a. Provide to TP IC’s protection settings for review of IC’s protection settings;
 - b. Perform both calibration and functional trip tests of its System Protection Facilities and report results back to the TP;
 - c. Complete required communications facilities;
 - d. Provide demonstration of SCADA indications that the plant substation is operational and provides full TP’s ESCC access;
 - e. Demonstrate adequate voice communications systems at IC substation (*e.g.*, dedicated cell or land line at sub);
 - f. Request that TP trip-test IC’s main interrupting device(s) from the RTU control point;
 - g. Provide TP with an acknowledgment in writing that all plant systems are adequately protected and have been tested;
 - h. Request to have energization process meeting with TP at least 1 day prior to energization event.

Attachment 6 to SGIA

**Transmission Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Provided in Attachment 2 with the Interconnection Details

AMENDED AND RESTATED
SMALL GENERATOR INTERCONNECTION AGREEMENT
SERVICE AGREEMENT NO. 10-01257

Between

NEVADA POWER COMPANY d/b/a
NV ENERGY

And

FOTOWATIO NEVADA SOLAR, LLC

Date _____

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Small Generator Interconnection Agreement Attachments

- Attachment 1: Glossary of Terms**
- Attachment 2: Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment**
- Attachment 3: One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades**
- Attachment 4: Milestones**
- Attachment 5: Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs**
- Attachment 6: Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs**

This Amended and Restated Interconnection Agreement (“Agreement”) is made and entered into this ___ day of March 2012, by Nevada Power Company d/b/a NV Energy (“Transmission Provider”), and Fotowatio Nevada Solar, LLC (FRV) a Delaware limited liability company, (“Interconnection Customer”) each hereinafter sometimes referred to individually as “Party” or both referred to 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 Small Generating Facility in Attachment 2 to this Agreement; and,

WHEREAS, on November 23, 2010, Interconnection Customer and Transmission Provider entered into a Small Generator Interconnection Agreement (SGIA) designated as Service Agreement No. #10-01257;

WHEREAS, on February 14, 2011, Interconnection Customer and Transmission Provider entered into the First Amendment to the Small Generator Interconnection Agreement, making minor modifications to the Milestones and not affecting the pro forma Agreement, designated as Service Agreement No. #10-01257 (together with the November SGIA, the “Original SGIA”);

WHEREAS, the Parties have reached an agreement, after negotiating in good faith since July 20, 2011, covering the access road availability, project design and timing changes;

NOW, THEREFORE, the Parties agree to amend and restate the SGIA, which is replaced and superseded in its entirety by this Amended and Restated Small Generator Interconnection Agreement, and in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Amended and Restated Small Generator Interconnection Agreement, terms with initial capitalization that are not defined in Attachment 1 shall have the meanings specified in the Attachment in which they are used or the Open Access Transmission Tariff (Tariff).

Transmission Provider Information

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Director, Transmission Policy & Contracts
Address: 6100 Neil Rd OR P.O. Box 10100
City: Reno State: NV Zip: 89520
Phone: (775)834-5877 Fax: (775)834-3047 E-mail: TransmissionPolicy@nvenergy.com

Interconnection Customer Information

Interconnection Customer: Fotowatio Nevada Solar, LLC
Attention: Director, Operations
Address: 44 Montgomery St, Suite 2200
City: San Francisco State: CA Zip: 94104
Phone: 415-229-8867 Fax: _____ E-mail: david.fernandez@frv.com

Interconnection Customer Application No: Company 77

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install,

maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider or Affected Systems.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the system operator for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

- 1.8.2** The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power

Service within the specified range, it must also pay the Interconnection Customer.

- 1.8.3** Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

- 1.9** Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

- 2.1.1** The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.
- 2.1.2** The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety

devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of twenty six years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

- 3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

- 3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

- 3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions-- “Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer’s operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider’s Transmission System or other Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties’ facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider’s Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider’s Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission

System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or Affected System operator will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or

develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

- 5.2.1.2** If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational

harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

- 6.3.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2** The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 7.1.1** Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third

party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

- 7.3.4** If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5** Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

- 7.5.1** As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."
- 7.5.2** If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected

by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1** The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2** The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or

divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4** The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5** Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6** If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1** The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

- 12.1 Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Agreement

and each of its provisions shall be governed by the laws of the state of Nevada (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any

publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: Fotowatio Nevada Solar, LLC

Attention: Steve Holman, General Counsel

Address: 44 Montgomery St, Suite 2200

City: San Francisco State: CA Zip: 94104

Phone: 415-229-8870 Fax: _____ E-mail: steve.holman@frv.com

If to the Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy

Attention: Director, Transmission Policy & Contracts

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5877 Fax: 775-834-3047

E-Mail: TransmissionPolicy@nvenergy.com

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: Fotowatio Nevada Solar, LLC

Attention: Accounts Payable

Address: 12500 Baltimore Ave

City: Beltsville State: MD Zip: 20705

Phone: 433-909-7200 Fax: 240-264-8260 E-mail: ap@sunedison.com

If to the Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Manager, Transmission Services

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5877 Fax: 775-834-3047

E-Mail: TransmissionServices@nvenergy.com

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: Fotowatio Nevada Solar, LLC

Attention: Lisanne Shumway, Interconnection Program Manager

Address: 1515 Wazee Street Suite 380

City: Denver State: CO Zip: 80202

Phone: 720-445-7830 Fax: 720-445-7930 E-mail: lshumway@sunedison.com

If to the Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Contracts Agent

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-4802 Fax: 775-834-3047

E-Mail: TransmissionPolicy@nvenergy.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: Fotowatio Nevada Solar, LLC

Attention: ROC Alerts (Jason Hooper)

Address: 5000 Bailey Loop

City: McClellan State: CA Zip: 95652

Phone: (888) 786-3347 Fax: _____ E-mail: rocalerts@sunedison.com;

jhooper@sunedison.com

Transmission Provider's Operating Representative:

Transmission Provider: Nevada Power Company d/b/a NV Energy

Attention: Director, Electric System Control Operation

Address: 6100 Neil Road or PO Box 10100

City: Reno State: NV Zip: 89511

Phone: 775-834-5874 Fax: 775-834-3047

E-Mail: ESCCOperations@nvenergy.com

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

Nevada Power Company d/b/a NV Energy

Signature: _____

Name: (Printed): Mario Villar

Title: Vice President, Transmission

Date: _____

Fotowatio Nevada Solar, LLC

Signature: _____

Name: (Printed): _____

Title: _____

Date: _____

Attachment 1 to SGIA

Glossary of Terms

Affected System – An electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution System – 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 – The additions, modifications, and upgrades to the Transmission Provider’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature,

rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Facilities – The Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer’s request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider’s Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider’s Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider’s Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider’s Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider’s requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider’s Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer’s device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

Tariff – The Transmission Provider or Affected System’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider’s Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2 to SGIA**Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment****Fotowatio Nevada Solar, LLC (FRV) –RV Apex Solar Project - 20 MW PV**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

1. Interconnection Facilities: - Interconnection Customer's Interconnection Facilities (ICIF): Interconnection Customer

- a. One (1) 69-138/34.5 kV dual rated step-up transformer (20 MVA) located at the RV Apex Solar Substation
- b. One (1) 69-138 kV breaker located at the RV Apex Solar Substation
- c. Design and build approximately 250 feet of 138kV transmission line 3-954 ACSR to the dead-end structure adjacent to the Twin Buttes Switching Station.
- d. Interconnection Customer (IC) to acquire all local, state, federal land and environmental permits required in order to build and operate the facilities to be constructed on the real property described below (or the facilities themselves as set forth below, as applicable). Transmission Provider (TP) shall coordinate with the IC's efforts to obtain any such permits. IC to provide drafts for review and approval to TP prior to submittal to agencies.
 - Permits required for the construction of the new 138 kV transmission tap (approximately 1200 feet) from the existing 69 kV line northeast of the existing Sheep Mountain Tap to the new Twin Buttes Switching Station.
 - As required for the Twin Buttes Switching Station.
- e. Permits required for adequate access roads to Twin Buttes Switching Station, for construction and permanent access. IC to provide at no cost to the TP adequate property for the new Twin Buttes Switching Station (enclosed area to be approximately 96'X120').
 - a. Land must be a legally parceled site sufficient in size, approximately 120 feet by 96 feet (0.22 acres).
 - b. All conveyances shall have clean title, and be free of encumbrances.
- f. IC will enter into a Purchase Agreement and associated Escrow (as provided by TP), for the land associated with the Twin Buttes Switching Station.
 - TP will require an ALTA Owners Title Policy for land associated with the Twin Buttes Switching Station.
 - Close of Escrow on the site will be completed prior to placing the TP switching station in service.

- Foreclosure: Initial filing, completion and release documents provided to TP for review and approval by both TP and TP's Escrow and Title Company prior to start of construction.
- IC to provide closing documents for the purchase of RV Apex Solar Project.
- g. IC will be required to execute easements for access roads, dead-end structure with switch, all other TP facilities/equipment outside the property of the Twin Buttes Switching Station and provide documentation/verification and executed easements for all access roads not located on IC's property and any additional required land rights.
 - The IC will be required to execute a Right of Entry to TP prior to the site environmental or engineering studies initiation to allow the TP to perform its due diligence on the property and to commence construction prior to Close of Escrow. Said Right of Entry to provide 24 hour unrestricted access to the TP for the switching station, other TP facilities and the IC's control enclosure
 - Grant of Easements (GOE's) for all except BLM assignments will be signed and returned to TP for approval and acceptance before energization date.
- h. The IC will support the TP's application with Bureau of Land Management (BLM) for assignment of the Right of Way (ROW) Grant to the TP for the area impacted by the Transmission Provider's Interconnection Facilities. An application will be submitted once the TP is satisfied that all permit conditions have been met (i.e., work areas have been adequately restored, plants have been salvaged appropriately, Section 7 form completed and submitted back to BLM post-construction, etc.). See Drawing A-1
- i. The IC will provide a copy of all tortoise mitigation fees and BLM rentals paid to acquire all local, state, and federal permits associated with this project to the TP.
- j. The IC will prepare the sub-grade for the new Twin Buttes Switching Station site and access roads per the recommendations of the geotechnical report. Grading requirements within Twin Buttes Switching station area include the following:
 - NVE requires 1% or less slope within the yard.
 - NVE requires two access points. One from the transmission line and one from the RV Apex Solar Substation's property. Both access points should be less than 6% grade and scarping cannot impact such access.
 - The approved grading and drainage study for the switching station site shall be reviewed and approved by the TP with a cross-slope of less than 1%.
- k. Access Requirements:
 - The TP requires two access gates; one for the entrance from the transmission line and one from the RV Apex Solar Substation's property. The gates must be a 20ft minimum width.
 - One gate to be located on FRV property to allow TP's access from the BLM ROW grant for the transmission line.
 - Second gate to be located on IC's property on the easterly side of the FRV property.

- Access roads must be less than a maximum of 6% grade and at least 16ft wide to accommodate the NVE trucks.
 - TP requires a minimum center line turning radius of 32 feet for the access roads.
 - IC to provide road delineation marking on any turn radius that is depicted on the TP approved access road drawing within IC's property. TP and IC to mutually agree on the markings.
 - TP to review and accept IC's access road plan prior to start of construction (inclusive of road delineation marking requirements).
- l. Minimum of 150' separation from the RV Apex Solar Substation to the Twin Buttes Switching Station.
 - m. RV Apex Solar Substation and the Twin Buttes Switching Station which must be on separate ground grids.
 - n. Arrange for and design primary substation service power (3 phase, 480v).
 - o. Generating Facility protection relays at the RV Apex Solar Substation
 - p. 69/138 kV line protection for generator lead line between RV Apex Solar Substation to the Twin Buttes Switching Station
 - q. Generating Facility Communication at IC plant– T-1 line (or equivalent) to accommodate:
 - One 4-wire voice grade data line to new RTU at Generation facility to TP's Energy System Control Center (ESCC) that is specifically dedicated for TP's use
 - One dial up line for meter
 - If the above telecommunication circuits are via copper circuits, then Ground Protection Rise (GPR) isolation is expected and is the responsibility of IC, per applicable industry standards
 - r. Interconnection Customer to provide phone number and contact person for its control room to NVE Electric System Control Center for 24 hour manned access.
 - s. IC Control Building Requirements:
 - IC shall provide a suitable area in the control room at the Generator's Facility where TP will install up to two (2) 26" racks for communications.
 - Working space of three feet to be provided on all sides of the racks.
 - IC to provide a separate wall space for the metering cabinet and equipment.
 - Metering Enclosure (30" x 30" x 16") to be supplied by TP and installed by IC at approved location inside TP dedicated room in the IC Control Building per TP specifications. IC shall pick-up meter cabinet from TP warehouse upon notification from TP.
 - IC to provide separate exterior entrance to TP for this area.
 - Space for TP's equipment in the control room to be isolated and secured for TP access only.
 - t. Other Metering/Communications Requirements:
 - IC to provide two (2) DC and two (2) AC load center breakers dedicated for TP communications use (20 amp minimum) delivered to TP's racks.
 - IC to provide a 125 V DC dedicated circuit to the meter.

- IC to provide meter structure set on foundation with conduits/pullboxes from the structure to the control room to be installed by IC per TP's specification. Interconnection Customer shall mount and wire CTs and PTs (specified and supplied by TP) from structure to the meter cabinet.
 - IC to provide connection from TP telecommunication equipment to control room metering cabinet. One conduit for 2-wire MODBUS RS-485 and analog phone line, the second conduit for 125 V DC.
 - IC will provide dial up telephone line to meter cabinet.
- u. Details of Generating Facility Communication Requirements are located in Attachment 3 to the SGIA.

2. Transmission Provider's Interconnection Facilities (TP):

In accordance with Article 1.5.3, Transmission Provider shall construct the Transmission Provider's Interconnection Facilities, the details of which include the following:

- a. Coordinate with IC for all necessary permitting associated with the line tap, access roads and the Twin Buttes Switching Station
- b. TP to order preliminary title report for the Twin Buttes Switching Station
- c. TP to order an appraisal to determine the value of the raw parcel for the new Twin Buttes Switching Station. The appraiser will be informed of the intended use of the land.
- d. TP to provide to IC a Purchase Agreement, for the land associated with the Twin Buttes Switching Station, , which will be subject to review and approval by IC
- e. TP to open Escrow for the land associated with the Twin Buttes Switching Station.
 - ALTA Owners Title Policy is required for land associated with the Twin Buttes Switching Station.
- f. TP will perform and provide IC with an Environmental Phase 1 report.
- g. TP to provide IC with easement documents for access roads, dead-end structure with switch, all other TP facilities/equipment outside the property of the Twin Buttes Switching Station and any additional required land rights.
- h. TP to provide Right of Entry document to IC, for Switching Station and Access Roads which will be subject to review and approval by IC.
- i. Design and construct the new single 138 kV circuit breaker Twin Buttes Switching Station.
- j. Design and build new 138 kV transmission tap (approximately 1200 feet) from the existing 69 kV line northeast of the existing Sheep Mountain Tap to the new Twin Buttes Switching Station.
- k. The TP will provide the finish grading for the new Twin Buttes Switching Station site
- l. Design and build new communications tower with associated communications equipment required for the Twin Buttes Switching Station. Tower to be located within the footprint of the Twin Buttes Switching Station.
- m. Design, procure and install 138 kV transmission getaway from new Twin Buttes Switching Station to dead-end structure adjacent to the Twin Buttes Switching Station, including 138 kV switch structure and dead-end structure.

- n. Protection Coordination at Twin Buttes Switching Station and the breaker at the RV Apex Solar Substation.
 - o. Install one (1) ION revenue quality meter compensated to the Point of Interconnection.
 - p. TP will provide empty metering cabinet to the Interconnection Customer (IC) for IC's pick up and installation. TP will wire cabinet and install meter inside of cabinet.
 - q. Provide to IC for installation the Meter Class Potential Transformer's and Current Transformer's for the new meter to be located at the RV Apex Solar Substation.
 - r. Install one (1) RTU at RV Apex Solar Substation.
 - s. Install Multiplexer on T-1 at the RV Apex Solar Substation.
 - t. Procure and install miscellaneous Communication cables and link equipment.
 - u. Review the RV Apex Solar Substation Plant and 69/138 kV lead line protection.
- 3. Network Upgrades:**
- a. Stand Alone Network Upgrades
 - None
 - b. Network Upgrades
 - None
- 4. Distribution Upgrades:**
- None
- 5. Ownership:**
- Upon completion of construction, the Parties shall have ownership of the facilities as follows:
- a. Interconnection Customer's Interconnection Facilities shall be owned by the Interconnection Customer.
 - b. Transmission Provider' Interconnection Facilities shall be owned by the Transmission Provider.
 - c. Stand Alone Network Upgrades shall be owned by the Transmission Provider.
 - d. Other Network Upgrades shall be owned by the Transmission Provider.
 - e. Distribution Upgrades shall be owned by the Transmission Provider.
- 6. Affected System Upgrades:**
- Affected System Upgrades – The following Affected System Upgrades have been determined to be needed in order to mitigate disturbances on and maintain the reliability of Affected Systems directly or indirectly interconnected to the Transmission System.
- None
- 7. Operation and Maintenance Responsibilities:**
- Each Party's responsibilities for operation and maintenance of the Interconnection Facilities, Network Upgrades and Distribution Upgrades shall be:
- Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the facilities as follows:

- a. Interconnection Customer’s Interconnection Facilities shall be operated and maintained by Interconnection Customer.
- b. Transmission Providers’ Interconnection Facilities shall be operated and maintained by Transmission Provider and paid for by Interconnection Customer.
- c. Stand Alone Network Upgrades shall be operated and maintained by Transmission Provider.
- d. Other Network Upgrades shall be operated and maintained by Transmission Provider.
- e. Distribution Upgrades shall be operated and maintained by Transmission Provider.

8. Cost Estimates & Responsibilities:

a. Interconnection Customer’s Interconnection Facilities: Responsibility of the Interconnection Customer.

b. Transmission Provider’s Interconnection Facilities (TPIF): **\$ 2,681,000**
Interconnection Customer.

○ Twin Buttes Switching Station (one 138 kV circuit Breaker)	\$1,372,000
○ 138 kV Transmission Tap and Dead End Structure and Switch	\$ 478,000
○ Twin Buttes Communications Facilities	\$ 530,000
○ RV Apex Solar Substation Communications and RTU	\$ 90,000
○ Metering at RV Apex Solar Substation.	\$ 110,000
○ Permitting Support for Twin Buttes Site	\$ 45,000
○ Permitting Support for BLM ROW	\$ 44,000
○ Environmental Review and Support	<u>\$ 12,000</u>

TOTAL (TPIF) \$ 2,681,000

- Total Estimated Cost to Interconnection Customer listed above does not include an estimated gross up. The gross up rate can change significantly over time.

All Costs will be trued to actual after the completion of the Project and all costs have been recorded. Any tax gross up will be applied pursuant to the terms of Article 11, Tax of the SGIA.

- c. Stand Alone Network Upgrades: - None
- d. Network Upgrades: - None
- e. Distribution Upgrades: - None
- f. Affected System Upgrades: - None

Attachment 3 to SGIA

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

Fotowatio Renewable Ventures LLC (FRV) – RV Apex Solar Project – Generating Facility Capacity - 20 MW PV

Point of Interconnection:

The Point of Interconnection shall be at the new tap on the existing 69 kV line north of the existing Sheep Mountain Substation. See Drawing A-1.

Point of Ownership:

The Point of Interconnection shall be where the Interconnection Customer's 69 kV generator lead line intersects the downstream switch and dead end structure located adjacent to the new Twin Buttes Switching Station. See Drawing A-1.

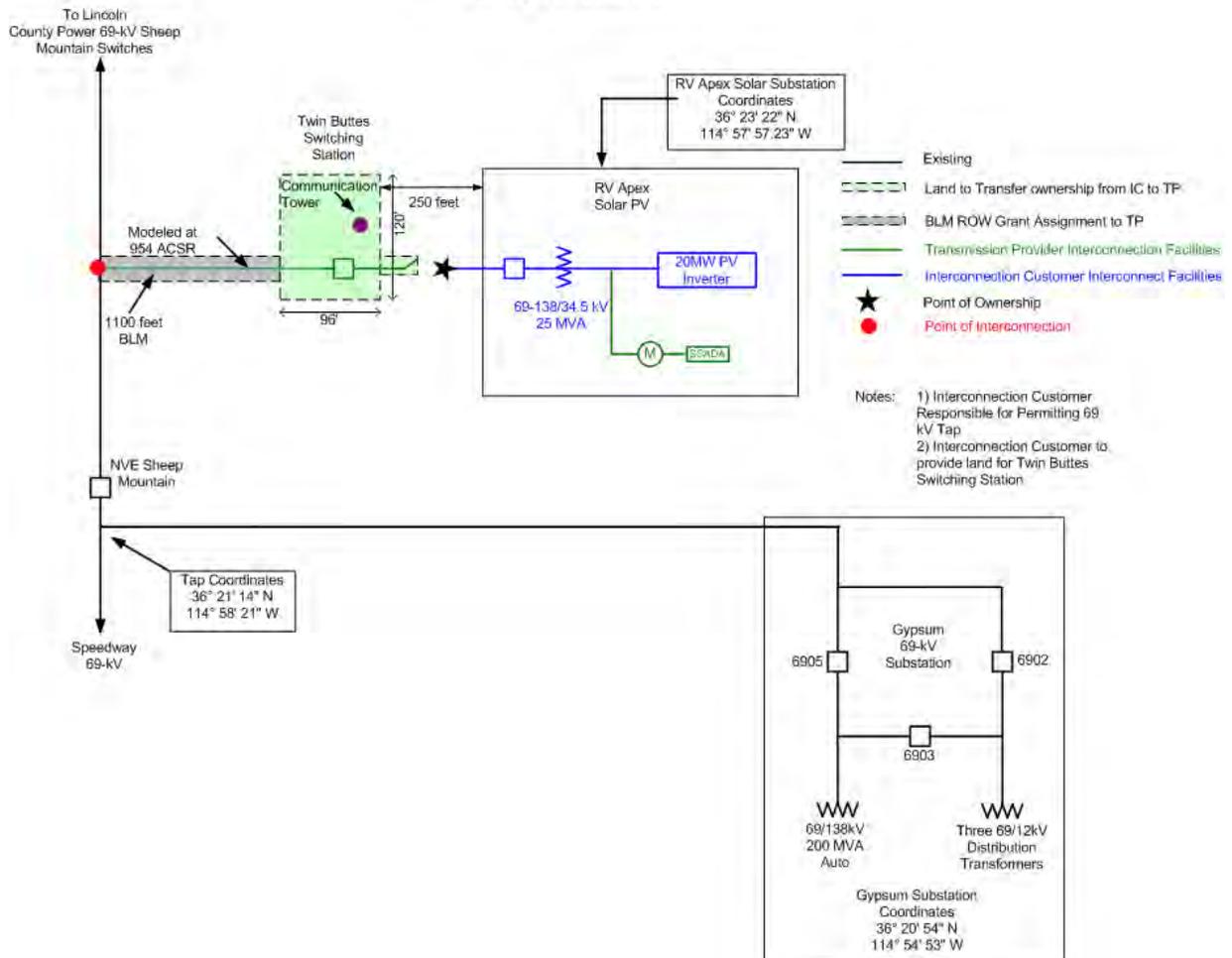
Interconnection Service Type: Network Resource Interconnection Service

Nominal Delivery Voltage: Currently at 69 kV

Nominal Voltage will be converted to 138 kV at NV Energy's sole discretion based on its needs (as indicated in the NVE Facilities Study issued on 8/24/2010). Interconnection Customer to be responsible for all costs of converting its facilities to accommodate the anticipated voltage conversion.

Metering Voltage: 34.5 kV

Drawing A-1 One-Line Diagram RV Apex Solar PV



1. Details of Generating Facility Communication Requirements
 - a. Generating Facility telemetry output:
 - i. Generator Plant total MW, MVar, 3-phase amps, 3-phase volts (L-G referred to L-L) and accumulated MWhr in and out. Fiber will be required if the distance between the meter and the Transmission Provider's RTU exceeds 1500 feet.
 - b. Hard wired open/closed indication for each transformer circuit breakers/circuit switchers
 - c. Tripped/Reset indication of the GSU and line protection lockout
 - d. Load Tap Changer (LTC) indication tap position and manual on/off indication (if GSU is equipped with LTC)
 - e. Note—Remote Terminal Unit (RTU) at plant to which output will be delivered is to be designated as the Master RTU. The IC will supply an interface that will allow the Transmission Provider's RTU to be the Master (polling) device.
 - f. Condition signal indicating status of percentage of plant output availability to ESCC Control Room on a continuous basis.
 - g. IC to provide SCADA capability to transmit real time data output from the weather measurement equipment of the solar PV plant (Global and Diffuse Solar Radiance, Ambient Temperature and Wind Speed). Data collection shall be provided by customer from each individual (if more than one) weather station. Customer shall provide data using NV Energy accepted protocol or hardwired directly to NV Energy's RTU.
 - h. IC to provide forecasted hourly solar plant energy production data consistent with WECC defined operational planning requirements, and in accordance with the WECC pre-schedule and real-time scheduling and tagging calendar (forecast of 72 hours), with updates to all forecast hourly output values no less frequently than once per calendar day. Such forecasts shall be based on numerical weather prediction (NWP) models. Customer shall provide data using NV Energy accepted protocol directly to NV Energy.
 - i. IC to provide any environmental data that may impact the percentage of plant output availability (i.e. low temperature, high wind and/or trip settings).
2. Generating Facility control points—The TP requires the following control points:
 - a. Trip control of transformer 69/138 kV breaker
3. Checklist of items that must be completed prior to proceeding with any energization for IC's:
 - Review by NV Energy for coordination purposes of IC's protection settings
 - IC must perform both calibration and functional trip tests of its System Protection Facilities and report results back to NVE
 - Complete communications required
 - SCADA indications at plant substation operational with full NVE ESCC access
 - Adequate voice communication at IC substation (cell or land line at sub)
 - NVE to trip-test IC's main interrupting device(s) from the RTU control point
 - IC to acknowledge in writing that all plant systems are adequately protected and have been tested
 - IC and NVE to have Start Up and energization process meeting 1 week prior to Start Up and energization event.

ATTACHMENT 4 to SGIA-Milestones

In-Service Date – June 6, 2012

FRV Apex Solar Project Milestones

Generator Interconnection Facilities ("IC or Generator")		Date
<u>1</u>	IC to pursue all necessary permits	upon execution
<u>2</u>	Initiate application for telecom service	upon execution
<u>3</u>	IC & TP to setup regular project meeting schedule	upon execution
<u>4</u>	IC to resubmit amended BLM ROW grant	complete
<u>5</u>	Cash - \$ 500,000 due to TP	complete
<u>6</u>	Project Initiation and Confirmation Mtg. (TP and IC)	complete
<u>7</u>	IC to arrange meeting between TP/IC and Kern River to coordinate construction within Kern River's BLM ROW	complete
<u>8</u>	Cash - \$ 634,546 due to TP	complete
<u>9</u>	Provide Transformer specification data to TP	complete
<u>10</u>	Cash - \$1,410,454 due to TP	complete
<u>11</u>	Receive Notice to Proceed (NTP) from BLM*	complete
<u>12</u>	Provide all documents pertaining to the foreclosure and land purchase to NV Energy for review and approval.	complete
<u>13</u>	Provide copies of tortoise fees, BLM rentals, copy of the final environmental documents (i.e., EA, Cat Ex, POD, Restoration Plan) including any company-specific environmental compliance policies and the final BLM grants.	complete
<u>14</u>	Initial coordination meeting for protection, control, telemetry telecom and metering	complete
<u>15</u>	Provide documentation/verification and executed easements to TP for all access roads not on IC's property	complete
<u>16</u>	Right of Entries and any other required documents signed and provided to TP	complete
<u>17</u>	Control Room Preliminary Dimension Design provided to TP	3/1/2012
<u>18</u>	Provide One-line with Scheme Descriptions and Relay Settings to TP	3/1/2012
<u>19</u>	Provide full access to Twin Buttes Substation including subgrade complete and accepted by TP	3/9/2012
<u>20</u>	Complete access roads to Twin Buttes and accepted by TP	3/9/2012
<u>21</u>	Provide Transformer testing data to TP	3/15/2012
<u>22</u>	Finalize Telemetry Points Worksheet	3/16/2012
<u>23</u>	Execute Purchase Agreement by IC	3/26/2012
<u>24</u>	Cash - \$ 136,000 due to TP	4/5/2012
<u>25</u>	All conduits with pull strings installed and available for TP use	4/13/2012
<u>26</u>	Primary substation service power complete at control room	4/13/2012
<u>27</u>	Provide AC and DC load centers dedicated for TP use	4/13/2012
<u>28</u>	Control Room construction complete with cable trays and conduits and TP to have full access	4/13/2012
<u>29</u>	Provide T-1 line from Generator Control Room ESCC	4/13/2012
<u>30</u>	Provide dial up line for meter	4/13/2012
<u>31</u>	Generator Facility protection relays complete	4/13/2012
<u>32</u>	Meter Structure complete inclusive of PT/CT installation	4/13/2012
<u>33</u>	Provide 125 Volt DC to meter socket	4/13/2012
<u>34</u>	Close of Escrow on Twin Buttes Site	4/26/2012
<u>35</u>	Complete Section 7 form and submit to BLM for Transmission Tap - provide TP copy of submittal for review	5/1/2012

Attachment 4 Milestones Continued		
36	IC to provide 24 hour access number to TP	5/15/2012
37	Provide TP operation plan for generator start up	5/15/2012
38	IC to complete Interconnection Customer Interconnection Facilities inclusive of the installation of 69 kV breaker, transformer and generator lead line. **	5/29/2012
39	IC to initiate generator pre-energization meeting (meeting must be held at least 1 week prior to energization)	5/29/2012
40	IC to sign TP's SF 299 for assignment of ROW Grant to TP for Transmission Tap	6/5/2012
41	In-Service Date	6/6/2012
42	Generator Testing Start Date- Provide notice to TP	6/8/2012
43	Facility Trip Testing - Provide notice to TP	6/8/2012
44	Commercial Operation Date - Provide notice to TP	6/29/2012
** Parties note that these facilities will be upgraded by IC when need for 138kV conversion as required		

In-Service Date – June 6, 2012

Transmission Provider Interconnection Facilities ("TP")	
Transmission Provider Interconnection Facilities Completed	Not later than 6/6/2012 provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per IC milestones above, and the IC has provided required securities and notices to the TP per IC milestones above. (*)

Attachment 5 to SGIA

**Additional Operating Requirements for the Transmission Provider's
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

The following shall be the additional operating requirements that must be met by generator interconnection customers prior to operating in parallel with the Transmission Provider's System.

1. **Operating Procedures.** Prior to energization and operation of the generating facility, the Interconnection Customer (IC) will be provided generator Electrical System Control Center (ESCC) operating procedure requirements that the IC must follow in order to interconnect its facilities to NV Energy's transmission system and to operate its interconnected facilities. The generator ESCC operation procedure requirements includes operating protocols and standards required to be followed by the IC related to, but not limited to, the following:
 - a. Demarcation of ownership of facilities and assignment of responsibilities between the Transmission Provider (TP) and Interconnection Customer;
 - b. Certification process for electrical system control center qualified personnel
 - c. Process and procedures for switching operations
 - d. Communication protocols for switching operations
 - e. Generator synchronization procedures
 - f. Notice requirements prior to undertaking switching activities
 - g. Process and procedures for making modifications to equipment
 - h. Minimum access rights requirements
 - i. Outage coordination requirements
 - j. Clearance procedures (i.e., lock-out/tag-out)
 - k. Personnel training and orientation requirements
 - l. General notification requirements

2. **Standards.** The IC will be required to meet the all applicable North American Electric Reliability Corporation (NERC) and/or Western Electricity Coordinating Council (WECC) reliability standards; as such standards may be amended from time to time. In addition, as these standards address facilities that may have a direct impact on the operation and reliability of the transmission system, each IC is required to provide the following information to the TP to demonstrate how the IC has satisfied the following NERC/WECC reliability requirements:
 - a. Sabotage Reporting:
 - a. CIP-001-1 R1 CIP-001-1 R
 - b. Disturbance Reporting:

- a. EOP-004-1 R3
 - c. System Protection Coordination:
 - a. PRC-001-01
 - d. Reliability Responsibilities and Authorities:
 - a. TOP-001-1 R3
 - b. TOP-001-1 R14
 - e. Normal Operations Planning:
 - a. TOP-002-2 R3
 - b. TOP-002-2 R14
 - f. Planned Outage Coordination:
 - a. TOP-003-0 R2
 - b. TOP-003-0 R3
 - g. Voltage and Reactive Control, Network Voltage:
 - a. VAR-001 R3
 - b. VAR-001 R4
 - c. VAR-001 R6
 - d. VAR-002-1 R1
 - e. VAR-002-1 R2
 - f. VAR-002-1 R3
 - g. VAR-002-1 R4
 - h. Any other applicable NERC Standards, as adopted by the WECC, or NERC, or their successor organizations, and as such standards may be amended from time to time, as requested by the TP.
- 3. Load Tap Changers (LTC).** The LTC may not be operated in Automatic mode. The IC is required to notify the TP in order to coordinate any proposed tap changes on the generator step-up unit transformer (GSU) load tap changer (LTC). No IC shall be permitted, except under the direction of TP's ESCC, to change the tap on the GSU LTC.
- 4. Remote Terminal Unit.** Prior to the initial Synchronization date, a Remote Terminal Unit, or equivalent data collection and transfer equipment must be installed to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the Transmission Provider through the use of a dedicated point-to-point data circuit(s). The communication protocol for the data circuit(s) will be specified by the Transmission Provider. Instantaneous bi-directional real time power and reactive power flow information must be telemetered directly to the location(s) specified by the Transmission Provider.

- 5. Under-Frequency and Over Frequency Conditions.** In the event of an under-frequency system disturbance, the Transmission System is designed to automatically activate a load-shedding program, pursuant to the requirements set forth by the WECC/NERC, or their successor organizations. The IC shall implement under-frequency and over-frequency relay set points for the Small Generating Facility as required by the WECC/NERC or their successor organizations, to ensure “ride through” capability of the generator on the Transmission System. The Small Generating Facility’s response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be provided to the TP, and its response to frequency deviations shall be coordinated with the TP 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, as required in accordance with Good Utility Practice.
- 6. Start Up and Synchronization Checklist.** Prior to proceeding with any Start Up and Synchronization activities for the IC’s generating facility, the IC must complete the following checklist of items:
- a. Provide to TP IC’s protection settings for review of IC’s protection settings;
 - b. Perform both calibration and functional trip tests of its System Protection Facilities and report results back to the TP;
 - c. Complete required communications facilities;
 - d. Provide demonstration of SCADA indications that the plant substation is operational and provides full TP’s ESCC access;
 - e. Demonstrate adequate voice communications systems at IC substation (*e.g.*, dedicated cell or land line at sub);
 - f. Request that TP trip-test IC’s main interrupting device(s) from the RTU control point;
 - g. Provide TP with an acknowledgment in writing that all plant systems are adequately protected and have been tested;
 - h. Request to have energization process meeting with TP at least 1 day prior to energization event.

Attachment 6 to SGIA

**Transmission Provider's Description of its Upgrades
and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Provided in Attachment 2 with the Interconnection Details

**AMENDED AND RESTATED
INTERCONNECTION AND OPERATION AGREEMENT**

Between

Nevada Power Company

And

Southern California Public Power Authority

March 26, 2014

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**INTERCONNECTION AND OPERATION AGREEMENT
BETWEEN
NEVADA POWER COMPANY
AND
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

THIS AMENDED AND RESTATED INTERCONNECTION AND OPERATION AGREEMENT ("Agreement") is made this 26th day of March, 2014, by and between Nevada Power Company, d/b/a NV Energy, a Nevada corporation (hereinafter "Company"), and Southern California Public Power Authority (hereinafter "Generator"), collectively referred to as the "Parties" or individually as a "Party."

WITNESSETH:

WHEREAS, Company owns, operates and maintains the Transmission System within a defined Balancing Authority Area;

WHEREAS, Generator, which was previously owned by Mirant Las Vegas, LLC and subsequently acquired by Las Vegas Power Company, LLC, is a nominal 550 MW electric generating facility located in Clark County, Nevada, known as the Apex ("Apex") power plant;

WHEREAS, on March 26, 2014 Las Vegas Power Company, LLC sold the Apex power plant to Southern California Public Power Authority;

WHEREAS, Generator desires to maintain the existing interconnection of the Facility to the Transmission System;

WHEREAS, Generator has designated the Los Angeles Department of Water and Power ("LADWP") as its operating agent for the Apex power plant; and

WHEREAS, in this Agreement, the Parties desire to provide for the continued interconnection of the Facility to the Transmission System and to define the continuing responsibilities and obligations of the Parties with respect thereto.

NOW, THEREFORE, for and in consideration of the promises and mutual covenants herein set forth, the Parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

Wherever used in this Agreement with initial capitalization, whether used in the singular or the plural, the following terms shall have the meanings as specified herein and if not specified herein as defined in OATT:

1.1 "Abnormal Condition" shall mean any condition at the Facility or on the Interconnection Facilities, the Transmission System or the transmission system of other electric utilities which (a) is a condition that would become an Emergency if a first contingency occurred, (b) under Good Utility Practice, necessitates preemptive action in order to maintain the reliable operation of the Interconnection Facilities, the Transmission System or the transmission system of other electric utilities and (c) can

include high or low deviations in: voltage, frequency, power flow, equipment temperature, equipment pressures, and other equipment and operating parameters; provided, however, that to the extent Company serves load, any condition or situation that results from lack of sufficient generating capacity to meet any Company load requirements shall not constitute an Abnormal Condition hereunder.

1.2 "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.

1.3 "Agreement" shall mean this Amended and Restated Interconnection and Operation Agreement between Company and Generator, including all appendices, attachments and any amendments thereto.

1.4 "Ancillary Services" shall mean those services that are necessary to support the transmission of electrical capacity and electrical energy from resources to loads while maintaining reliable operation of the Transmission System in accordance with Good Utility Practice. Such Ancillary Services are listed in the OATT.

1.5 "Applicable Laws and Regulations" shall mean all applicable federal, state and local laws, ordinances, rules and regulations, and all duly promulgated orders and other duly authorized actions of any Governmental Authority having competent jurisdiction over the Parties and/or their respective facilities.

1.6 "Applicable Reliability Criteria" shall mean industry codes, standards, practices, regulations, policies and published criteria for the planning and operation of interconnected electrical transmission systems and generating equipment with which Company or Generator is required to comply, including WECC, NERC, or criteria of any RTO, power pool, regional or national reliability council or transmission group, independent system operator, or coordinating council in which Company or Generator is a participant or which otherwise has jurisdiction or authority over Company, as such criteria may be amended from time to time.

1.7 "Business Day" shall mean any day other than a Saturday or Sunday or a national holiday. National holidays shall be holidays observed by Federal Reserve members in New York.

1.8 "Company Interconnection Facilities" shall mean the minimum equipment and facilities owned, operated and maintained by Company, including any modifications, additions, or upgrades made to such facilities, which, in conjunction with the Generator Interconnection Facilities, are necessary to connect the Facility to the Transmission System, as such are so designated and described in Appendix A. These Company Interconnection Facilities would not have been required but for the connection of the Facility to the Transmission System. Company Interconnection Facilities shall include Company's Metering Equipment, Protective Equipment and those Joint Use Facilities on the Company's side of the Ownership Point.

1.9 "Balancing Authority Area" shall mean an electric power system or combination of electric power system(s) to which a common automatic generation control scheme is applied in order to: (i) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from or sold to entities outside the electric power system(s) with the load within the electric power system(s); (ii) maintain scheduled interchange with other Balancing Authority Areas within the limits of Good Utility Practice; (iii) maintain the frequency of the electric power system(s)

within reasonable limits in accordance with Good Utility Practice; and (iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.10 "Dispatch" shall mean the right of the Balancing Authority Area operator, or its exercise of the right, in accordance with Good Utility Practice to:

- (a) assign generation to specific generating stations and other sources of supply to effect the most reliable supply of electrical capacity and/or electrical energy as the total Control Area loads rise or fall;
- (b) control operation and maintenance of high-voltage transmission lines, substations, switchyards, and associated equipment, including administration of safety procedures;
- (c) operate the Company Interconnection Facilities and communication facilities;
- (d) schedule electrical capacity and/or electrical energy transactions with other interconnected entities; and
- (e) direct the connection, disconnection and synchronization of the generating unit(s) of the Facility to the Transmission System.

1.11 "Due Diligence" shall mean the exercise of good faith efforts to perform a required act on a timely basis and in accordance with Good Utility Practice using the necessary technical resources and personnel.

1.12 "Effective Date" shall have the meaning set forth in Article 2.1.1 hereof.

1.13 "Electricity" shall mean the capacity, energy, Ancillary Services and other services produced by the Facility.

1.14 "Emergency" shall mean any circumstance or combination of circumstances or any condition of the Facility, the Interconnection Facilities, the Transmission System, or the transmission system of other electric utilities which is likely to endanger life or property necessitating immediate action to avert serious injury to persons or serious damage to property, or is likely to adversely affect, degrade or impair transmission system reliability; provided, however, that to the extent Company serves load, any condition or situation that results from lack of sufficient generating capacity to meet any Company load requirements shall not constitute an Emergency hereunder.

1.15 "Environmental Laws" shall mean all federal, state, and local laws (including common laws), regulations, rules, ordinances, codes, decrees, judgments, binding directives, or judicial or administrative orders relating to the protection, preservation or restoration of human health, the environment, or natural resources, including laws relating to the releases or threatened releases of Hazardous Substances into any media (including ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport and handling of Hazardous Substances.

1.16 "Event of Default" shall have the meaning set forth in Article 6.1.1 hereof.

1.17 "Facility" shall mean the electric generating facility with a nominal rating of approximately 550 MW, to be constructed by Generator on a tract of land located in Clark County, Nevada.

1.18 "FERC" shall mean the Federal Energy Regulatory Commission, or any successor thereto.

1.19 "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

Curtailement, 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.

1.20 "Generation Imbalance" shall mean the service provided when deliveries of electricity from a generator into the Transmission System deviate from those scheduled by the Generator.

1.21 "Generator" shall mean the Apex power plant previously owned by Las Vegas Power Company, LLC and now owned by the Southern California Public Power Authority.

1.22 "Generator Interconnection Facilities" shall mean the equipment and facilities owned, operated and maintained by Generator from the Facility to the Ownership Point, including any modifications, additions, or upgrades made to such facilities which, in conjunction with the Company Interconnection Facilities, are necessary to connect the Facility to the Transmission System, as such are so designated and described in Appendix A. Generator Interconnection Facilities shall include Generator's Protective Equipment and those Joint Use Facilities on the Generator's side of the Ownership Point.

1.23 "Good Utility Practice(s)" shall mean 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 acceptable practices, methods or acts generally accepted in the region. Good Utility Practice shall include compliance with Applicable Laws and Regulations, Applicable Reliability Criteria, and the criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended from time to time, including the criteria, rules and standards of any successor organizations.

1.24 "Governmental Authority" shall mean any federal, state, local, tribal, municipal body or any other governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, or any court or governmental tribunal.

1.25 "Hazardous Substances" shall mean:

- (a) any petro-chemical or petroleum products, oil or coal ash, radioactive materials, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid which may contain levels of polychlorinated biphenyls;
- (b) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants," "pollutants," or words of similar meaning and regulatory effect; or
- (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by applicable Environmental Laws.

1.26 "Interconnection" shall have the meaning set forth in Article 3.1 hereof.

1.27 "Interconnection Facilities" shall mean the Company Interconnection Facilities and the Generator Interconnection Facilities collectively.

1.28 "Interconnection Point(s)" shall mean the receipt point(s) of the full energy output of the Facility to the Transmission System via the Company Interconnection Facilities, as shown in Appendix A.

1.29 "Interconnection Studies" shall mean any studies conducted by Company pursuant to the OATT to investigate the impact of the connection of the Facility to the Transmission System and to determine the design, specifications and cost estimate for the Company Interconnection Facilities and System Upgrades required to accommodate such connection.

1.30 "Joint Use Facilities" shall mean those facilities identified in Appendix B hereto that are owned by either Generator or Company and which are primarily used for generation operations but which are also essential to the operational reliability of the Transmission System and are, therefore, jointly operated by Generator and Company, as such Joint Use Facilities may be relocated, added to or modified pursuant to Article 3.12.

1.31 "Metering Equipment" shall mean those metering facilities specified in Appendix B.

1.32 "Metering Point" shall mean the point at which the watts, vars and voltage delivered to the Transmission System is measured, as identified in Appendix A.

1.33 "NERC" shall mean the North American Electric Reliability Council, including any successor thereto or any regional reliability council thereof.

1.34 "Open Access Transmission Tariff" or "OATT" shall mean the Company tariff under which non-discriminatory open access transmission service over the Transmission System is offered, as filed with FERC and as amended or supplemented from time to time, or any successor tariff.

1.35 "Optional System Upgrades" shall mean the upgrades required to remedy overloads on the Transmission System, which Generator has elected to have constructed.

1.36 "Ownership Point" shall mean the point of demarcation between the Company Interconnection Facilities and the Generator Interconnection Facilities as shown in Appendix A.

1.37 "Party" or "Parties" shall have the meaning set forth in the preamble hereof, including any successors or permitted assignees.

1.38 "Person" shall mean any individual, Governmental Authority, corporation, limited liability company, partnership, limited partnership, trust, association or other entity.

1.39 "Planned Outage" shall mean a previously scheduled full or partial outage of a Party's facilities on account of regular maintenance activities.

1.40 "Pre-Commercial Testing" shall have the meaning set forth in Article 3.9.1 hereof.

1.41 "Protective Equipment" shall mean such protective relay systems, locks and seals, power circuit breakers, automatic synchronizers, associated communication equipment and other control

schemes and protective apparatus owned either by Generator or Company, as is reasonably necessary under Good Utility Practice and as approved by Company for the operation of the Facility in parallel with the Transmission System, to permit Company's facilities to operate economically, reliably and safely in their normal manner.

1.42 "Required System Upgrades" shall mean the upgrades required to remedy any short circuit and stability problems on the Transmission System that would not have been required but for the connection of the Facility to the Transmission System.

1.43 "Representative" shall mean, with respect to a Person, any director, officer, employee, agent, consultant, contractor, subcontractor, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

1.44 "RTO" shall mean any FERC-approved independent system operator or regional transmission organization to which Company may transfer operational control of its transmission facilities, or any portion thereof.

1.45 "System Integrity" shall mean the state of operation of an electrical transmission system that (i) minimizes the risk of injury to personnel and the general public, (ii) minimizes the risk of damage to property, and (iii) maintains the electrical transmission system's ability to provide non-discriminatory electrical transmission service to customers, all in accordance with Good Utility Practice.

1.46 "System Upgrades" shall mean both Required System Upgrades and Optional System Upgrades. Appendix A identifies all System Upgrades and further identifies those upgrades as either Required System Upgrades or Optional System Upgrades. Payment for System Upgrades shall entitle Generator to receive credits against future transmission charges.

1.47 "Termination Costs" shall mean those actual costs incurred by Company upon termination of this Agreement including those costs associated with: (i) returning or canceling pending orders made by Company for equipment or facilities required for the Interconnection Facilities; (ii) removing any portion of the Company Interconnection Facilities or System Upgrades; and (iii) performing such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the Transmission System.

1.48 "Transmission System" shall mean the transmission facilities owned, operated, or controlled by Company, including any modifications or upgrades made to such facilities. Transmission System shall not include the Company Interconnection Facilities.

1.48 "WECC" shall mean the Western Electricity Coordinating Council, or any successor thereto.

ARTICLE 2 - TERM AND TERMINATION OF AGREEMENT

2.1 Term

2.1.1 This Agreement shall become effective upon execution of this Agreement, ("Effective Date"), subject to FERC acceptance as provided in Article 2.3.2.

2.1.2 Subject to and in accordance with the terms and conditions of this Agreement, this Agreement shall remain in full force and effect from the date this Agreement is made effective until: (i) the Agreement is terminated by the mutual agreement of the

Parties; (ii) the Agreement is terminated as permitted or provided for under this Agreement; (iii) Generator terminates the Agreement after providing Company sixty (60) days' written notice; or (iv) termination by operation of Applicable Laws and Regulations.

2.1.3 Unless no longer required by FERC, any termination of this Agreement permitted hereunder shall not take effect until FERC either authorizes a request by either Party seeking termination of this Agreement or accepts a written notice of termination.

2.2 Effect of Expiration or Termination of Agreement on Liabilities and Obligations

Expiration or termination of this Agreement shall not relieve Generator or Company of any liabilities or obligations arising hereunder prior to the date termination becomes effective. Applicable provisions of this Agreement shall continue in effect after expiration, cancellation or termination to the extent provided for herein and to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect. In addition, upon termination of this Agreement, unless on account of an Event of Default of Company, Generator shall be responsible for any Termination Costs incurred by Company.

2.3 Regulatory Approvals

2.3.1 Generator shall use Due Diligence to obtain in a timely manner any federal, state, or other regulatory consents, approvals, certifications, filings or orders that may be required for Generator's execution, delivery or performance of this Agreement and any amendments hereto.

2.3.2 Company shall use Due Diligence to obtain in a timely manner any federal, state, or other regulatory consents, approvals, certifications, filings, permits or orders that may be required for Company's execution, delivery or performance of this Agreement and any amendments hereto. Generator agrees to assist Company, if necessary, in obtaining such approvals or making such filings as promptly as practicable. Company shall file this Agreement and, if necessary, any amendments hereto with FERC, and any other Governmental Authority, to the extent required by any Applicable Laws and Regulations. Generator agrees to reasonably cooperate with Company with respect to such filing(s) and to provide any information reasonably required by Company to comply with applicable filing requirements; provided, however, Generator retains its right to protest any such filing to the extent that this Agreement is filed unexecuted. Either Party may, in the applicable FERC proceeding and in accordance with applicable FERC rules and regulations, contest or challenge any FERC order regarding this Agreement and any amendments or otherwise participate in such proceeding. Any ruling by FERC with respect thereto shall be final and binding on the Parties, subject to any additional FERC review and judicial review permitted under the Federal Power Act.

2.4 Removal of Facilities

2.4.1 Upon termination of this Agreement, unless otherwise ordered or approved by FERC, Company shall:

- (a) prior to energization of the Interconnection Facilities and System Upgrades and to the extent possible, cancel any pending orders of, or return, such facilities;
 - (b) keep in place any portion of the Company Interconnection Facilities or System Upgrades already constructed and installed that are necessary to maintain Transmission System reliability, as determined by Company;
 - (c) keep in place or remove, at Company's option, any portion of the Company Interconnection Facilities or System Upgrades already constructed and installed that are not necessary to maintain Transmission System reliability; and
 - (d) perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the Transmission System (*e.g.*, construction demobilization, wind-up work).
- 2.4.2 Prior to energization of the Company's Interconnection Facilities or System Upgrades, Company may, at their option, retain any portion of such facilities not cancelled or returned in accordance with Article 2.4.1(a), in which case Company shall be responsible for all costs associated with procuring such facilities. To the extent that Generator has already paid Company for any or all of such costs, Company shall promptly refund such amounts to Generator. If Company elects to not retain any portion of such facilities, Company shall convey and deliver to Generator such facilities as soon as practicable after Generator's payment for such facilities.
- 2.4.3 In the event that Company elects, pursuant to Article 2.4.1(c), to keep in place any portion of the Company Interconnection Facilities or System Upgrades already constructed and installed that are not necessary to maintain Transmission System reliability, Company shall be responsible for the operation and maintenance costs of such facilities.

ARTICLE 3 - FACILITY INTERCONNECTION

3.1 Maintenance of Interconnection

- 3.1.1 This Agreement provides for the connection of the Facility to the Transmission System via the Company Interconnection Facilities, including the ability of Generator to deliver, and the Transmission System to receive, the full energy output of the Facility. The Parties agree that the Generator shall continue to be connected to the Transmission System via the Interconnection Facilities, such connection being further described in Appendix A and herein referred to as the "Interconnection."
- 3.1.2 Pursuant to this Agreement, the Parties shall, during the term of this Agreement, continue operation of their respective Interconnection Facilities and other facilities to the extent required to establish and maintain a reliable Interconnection.

3.2 Services Outside Scope of Agreement

- 3.2.1 This Agreement provides only for the connection of the Facility to the Transmission System via the Company Interconnection Facilities as set forth in Article 3.1. Nothing in this Agreement shall be interpreted as a request by Generator or a commitment by Company to install any facilities other than those identified in Appendix A, which Appendix may be revised by mutual agreement of the Parties.
- 3.2.2 Except for service available to the Generator under the Transmission Service Agreement dated August 1, 2001 between Company and assigned to Generator effective March 26, 2014, Company makes no representations to Generator regarding the availability of transmission service on the Company Transmission System, and Generator agrees that the availability of transmission service on the Company Transmission System may not be inferred or implied from Company's execution of this Agreement. If Generator wishes to obtain transmission service on the Company Transmission System, Generator must request such service in accordance with the provisions of the Company OATT.
- 3.2.3 This Agreement does not provide for the sale or purchase of Electricity from the Facility, except as expressly provided for in Article 4. Generator may request construction, back up, start-up and/or maintenance power from Company required for the Facility under a separate agreement or a Company applicable tariff.
- 3.2.4 Company may request to purchase under a separate agreement or a Generator-applicable tariff, as appropriate, any Ancillary Service or other services from Generator as Generator may have available for the provision of such services.

3.3 Necessary Easements, Permits and Licenses

- 3.3.1 Each Party shall diligently pursue all rights, easements, permits, licenses and properties necessary to construct and maintain its respective Interconnection Facilities and, in the case of Company, the System Upgrades.
- 3.3.2 If a Party cannot, using Due Diligence, acquire all the rights, easements, permits, licenses, certificates and properties necessary to construct and maintain its Interconnection Facilities and, in the case of Company, System Upgrades, the Party shall promptly provide written notice to the other Party indicating its inability. After such notice, Generator shall have thirty (30) days in which to determine whether to authorize Company to initiate and diligently pursue the following at Generator's expense: (i) condemnation proceedings; (ii) alternate routes, designs, methods or procedures necessary for the construction or maintenance of the Interconnection Facilities and/or System Upgrades; or (iii) any other appropriate action mutually agreed upon by the Parties.

3.4 Installation of Generator Interconnection Facilities

- 3.4.1 Generator shall be responsible for the design, construction, installation, ownership, operation and maintenance of the Generator Interconnection Facilities. Protective Equipment and Joint Use Facilities to be installed, owned, operated and maintained by Generator shall be as set forth in Appendix B.

- 3.4.2 At Generator's expense, Generator shall procure any and all equipment necessary for Generator to construct, install, and maintain the Generator Interconnection Facilities.
- 3.4.3 The Generator Interconnection Facilities shall be constructed by Generator or, at Generator's option, a third party contractor to be selected by Generator. Notwithstanding the foregoing, Generator understands and agrees that Company shall complete the connection of the Company Interconnection Facilities and Generator Interconnection Facilities and shall manage all construction work on the Transmission System.
- 3.4.4 The Generator Interconnection Facilities shall be designed, constructed and installed in accordance with applicable Interconnection Studies, Good Utility Practice, and as set forth in Appendix A and Appendix B.
- 3.4.5 Generator shall inform Company on a monthly basis, and at such other times as Company reasonably requests, of the status of the construction and installation of modifications or additions to the Generator Interconnection Facilities and the Facility, including the following information: (i) progress to date; (ii) a description of scheduled activities for the next period; (iii) the delivery status of all equipment ordered; and (iv) the identification of any event which Generator reasonably expects may delay construction.

3.5 Installation of Company Interconnection Facilities and System Upgrades

- 3.5.1 Company shall be responsible for the design, procurement, construction, installation, ownership, operation and maintenance of the Company Interconnection Facilities and System Upgrades as set forth in Appendix A. Metering Equipment, Protective Equipment and Joint Use Facilities to be installed, owned and operated by Company shall be as set forth in Appendix B.
- 3.5.2 At Generator's expense subject to Article 5, Company agrees to procure any and all equipment necessary for Company to construct and install the Company Interconnection Facilities and System Upgrades.
- 3.5.3 At Generator's expense subject to Article 5, Company shall design, construct, own, operate and maintain the Company Interconnection Facilities.
- 3.5.4 Company shall design, construct, own, operate, maintain and repair or replace System Upgrades. After installation, Company shall operate, maintain, and repair or replace System Upgrades at Company's expense.
- 3.5.5 The Company Interconnection Facilities and System Upgrades shall be designed, constructed, installed, operated and maintained in accordance with applicable Interconnection Studies, Good Utility Practice, and as set forth in Appendix A and Appendix B and shall be sufficient, as built, designed and operated, to deliver the full electrical energy output of the Facility to the Transmission System and to enable the Facility to receive electrical capacity and electrical energy necessary to satisfy its operational requirements.
- 3.5.6 Generator reserves the right, upon written notice to Company, to suspend at any time all work by Company associated with the construction and installation of the

Company Interconnection Facilities and/or System Upgrades. In such event, Generator shall be responsible for the actual costs which Company incurs (i) in accordance with this Agreement prior to the suspension and (ii) in suspending such work, including any costs incurred in order to perform such work as may be necessary to ensure the safety of persons and property and System Integrity and, if applicable, any costs incurred in connection with the cancellation of material and labor contracts which Company cannot reasonably avoid; provided, however, that prior to canceling any material or labor contract, Company shall obtain Generator's authorization. Company shall invoice Generator pursuant to Article 5 and agrees to use Due Diligence to minimize its costs. In the event Generator suspends the performance of work by Company pursuant to this Article 3.5.5 and has not requested Company to recommence such work required hereunder on or before the three hundred and sixty-fifth (365th) day after such requested suspension, this Agreement shall be deemed terminated.

3.6 This Article Intentionally Left Blank

3.7 Review and Inspection of Interconnection Facilities

- 3.7.1 Either Party, upon advance written notice to other Party, has the right, but not the obligation, to review and inspect all aspects of the design, construction, operation and maintenance activities, tests, or other modifications of the other Party's Interconnection Facilities, Protective Equipment, Joint Use Facilities and any other facilities which reasonably could have a direct effect on said Party's operations or the safety of its personnel and the general public. Such review may include a review of the specifications for the Interconnection Facilities, Protective Equipment and Joint Use Facilities including any material improvements, additions, modifications, replacements or other material changes to equipment, electrical drawings and one-line diagrams.
- 3.7.2 Upon a Party's reasonable request, the other Party shall provide the requesting Party with as-built drawings of its respective Interconnection Facilities which will be of good engineering quality and which may include (i) a one-line diagram; (ii) three-line diagrams showing current and potential circuits for protective relays; (iii) relay tripping and control schematic diagrams; and (iv) such other items as may be reasonably requested in light of the requesting Party's obligations under this Agreement.
- 3.7.3 Company reserves the right to approve the proposed settings for Generator's relays, the approval of which shall not be unreasonably withheld or delayed. If requested by Generator, Company shall provide system data needed to determine the Generator's relay settings and assist Generator in coordinating such relay settings with the Transmission System.
- 3.7.4 Any Company review, inspection and acceptance related to the Generator Interconnection Facilities, Protective Equipment and Joint Use Facilities shall be limited to the purpose of ensuring the safety, reliability, protection and control of the Transmission System and shall not be construed as confirming or endorsing the design of the Generator Interconnection Facilities or the Facility, or as a warranty of any type, including safety, durability or reliability thereof.

3.7.5 Any Generator review and inspection shall not be construed as confirming or endorsing the design of the Company Interconnection Facilities, System Upgrades or any other facilities, or as a warranty of any type, including safety, durability or reliability thereof.

3.8 Completion of Construction

Generator shall promptly notify Company in writing when the construction of modifications or additions to the Generator Interconnection Facilities is complete. Likewise, Company shall promptly notify Generator in writing when the construction of modifications or additions to the Company Interconnection Facilities and System Upgrades is complete.

3.9 Testing of Facilities

3.9.1 Prior to the interconnection and operation of the Facility (or modifications or additions to the Facility) with the Transmission System, the Interconnection Facilities and System Upgrades shall be tested to ensure their safe and reliable operation in accordance with Good Utility Practice ("Pre-Commercial Testing"). Similar testing may be necessary after initial energization but prior to commercial operation as required by Good Utility Practice. The cost of all such testing shall be borne by Generator.

3.9.2 Based upon the Pre-Commercial Testing, Generator shall be responsible for making any modifications necessary to ensure the safe and reliable operation of the Generator Interconnection Facilities in accordance with Good Utility Practice, and Company shall be responsible for making any modifications necessary to ensure the safe and reliable operation of the Company Interconnection Facilities and System Upgrades in accordance with Good Utility Practice. The costs of all such modifications shall be borne by Generator, except to the extent any such modification was not required by Good Utility Practice.

3.9.3 After the Interconnection has been permanently energized and commercial operation of the Facility has commenced, each Party shall test its facilities in accordance with Good Utility Practice. Each Party shall have the right, upon advance written notice to the other Party, to require additional testing of the other Party's facilities, at the requesting Party's expense, if it reasonably believes that the other Party's facilities are adversely affecting the operation of the Transmission System or the Facility, or as may be otherwise prudent in accordance with Good Utility Practice, and shall have the right to be present and witness such tests. Subject to Article 13.11, each Party shall make available to the other Party any test results from such requests, or any other test information performed on its facilities that may be reasonably deemed to have an effect on the other Party's operations.

3.10 Timely Completion

- 3.10.1 Generator agrees to use Due Diligence to procure, construct, install and test the Generator Interconnection Facilities in accordance with the schedule set forth in Appendix D, which schedule may be revised from time to time by mutual agreement of the Parties.
- 3.10.2 Company agrees to use Due Diligence to procure, construct, install and test the Company Interconnection Facilities and System Upgrades in accordance with the schedule set forth in Appendix D, which may be revised from time to time by mutual agreement of the Parties. If any event occurs that will, or might be reasonably expected to, affect the time for completion of the Company Interconnection Facilities or System Upgrades, or the ability to complete any material portion of them, the Party becoming aware of the same shall promptly notify the other Party of such an event and corresponding delay. In such circumstances, Company shall convene a technical meeting with Generator to evaluate the alternatives available to Generator. Company shall also make available to Generator all studies and work papers related to the event and corresponding delay, including all information that is in the possession of Company and that is reasonably needed by Generator to evaluate the alternatives. Company shall, at Generator's request and expense, take all appropriate actions to accelerate its work under this Agreement in order to meet the schedule set forth in Appendix D, including, if Generator so requests, outsourcing the necessary work to a third party subcontractor of Company's selection; provided, that Generator authorizes such actions and the costs associated therewith in advance.
- 3.10.3 If any of the Company Interconnection Facilities or System Upgrades are not reasonably expected to be completed prior to the commercial operation date of the Facility in accordance with Article 3.10.2, Generator may, at its option, have operating studies performed at its expense (unless such non-completion is due to the fault of Company, in which case such studies shall be at Company's expense) to determine the maximum allowable output of the Facility. Subject to Applicable Laws and Regulations and Applicable Reliability Criteria, Generator shall be permitted to operate the Facility; provided, such limited operation of the Facility does not adversely affect the safety and reliability of the Transmission System.

3.11 Generator Modeling Data

Generator shall provide Company with such final modeling data of the Facility and the Generator Interconnection Facilities that reflect final Facility data and settings of the generation protection and control equipment as is reasonably requested by Company and is necessary for reliable operation of the Transmission System, including (i) the turbine speed/load controls including the governor and (ii) the excitation system, including the automatic voltage regulator, power system stabilizer, over excitation controls and limits, and other controls and limits.

3.12 Modifications to Facilities

- 3.12.1 Each Party shall use Due Diligence to minimize any adverse impact on the other Party, including, in the case of Company, any action necessary to promptly reestablish the connection of the Facility to the Transmission System or to secure such services necessary to deliver the Electricity to the Transmission System in accordance with Good Utility Practice, and shall, subject to Article 8, be responsible

for the costs of mitigation of any such adverse impact during the course of installing any additions, modifications or replacements to its facilities. To the extent any additions, modifications or replacements to a Party's facilities are reasonably expected to affect the other Party's facilities, such additions, modifications or replacements must be constructed and operated in accordance with Good Utility Practice.

3.12.2 If such additions, modifications or replacements might reasonably be expected to adversely affect the other Party's facilities, operations or performance under this Agreement, the Party making such additions, modifications or replacements shall, except in cases of an Abnormal Condition or Emergency, provide ninety (90) days' written notice to the other Party prior to undertaking such additions, modifications or replacements. Such notification shall include information regarding (i) when such additions, modifications or replacements are expected to be made, (ii) how long such additions, modifications or replacements are expected to take, (iii) how such additions, modifications or replacements are expected to adversely affect the other Party's facilities and/or operations, (iv) whether such additions, modifications or replacements are expected to interrupt the flow of Electricity from the Facility, and (v) any other information necessary to enable the other Party to evaluate the impact of the proposed additions, modifications or replacements on its facilities and/or operations prior to the commencement of work.

3.12.3 Except in cases of an Abnormal Condition or Emergency, if such additions, modifications or replacements are expected to interrupt the flow of Electricity from the Facility, the Parties shall mutually agree in advance upon a schedule for such additions, modifications or replacements. Such agreement shall not be unreasonably withheld or delayed.

3.13 Adherence to Applicable North American Electric Reliability Corporation (NERC) and WECC Requirements

Generator shall be responsible for compliance with all applicable NERC and WECC requirements and obligations.

ARTICLE 4 - SYSTEM OPERATION

4.1 Requirements For Operation

4.1.1 Each Party shall operate their respective facilities in accordance with Good Utility Practice.

4.1.2 Each Party agrees to design, install, maintain and operate their respective Interconnection Facilities and, in the case of Company, the System Upgrades, so as to reasonably minimize the likelihood that a disturbance originating on its facilities would affect or impair the Transmission System or the Facility.

4.1.3 Except for changes necessary to ensure the protection and safety of the Parties' personnel and property, Generator shall not be required to make any modifications to the Generator Interconnection Facilities unless such change is required due to (i) a change in the Facility, (ii) a change in Applicable Laws and Regulations that requires a change in the Interconnection Facilities, or (iii) a change on the Transmission

System which is required by Good Utility Practice. If a modification to the Interconnection Facilities is required by the foregoing but is not required to facilitate the connection of a third party or the provision of transmission service under the OATT, Company shall inform Generator of the need for such modification and Generator shall be responsible for the costs of such modification, as provided for Article 5.

- 4.1.4 The net demonstrated real and reactive capability of the Facility shall be demonstrated by Generator in accordance with WECC and NERC planning and operating standards. Documentation related to such demonstrations shall be provided to Company by Generator. Company reserves the right to witness these demonstrations.
- 4.1.5 Generator shall operate the Facility in such a manner as to avoid adverse impacts on Transmission System voltage. Unless otherwise agreed to by the Parties, Generator shall operate the Facility with automatic voltage regulators in service consistent with Good Utility Practice within a power factor range of +/- 0.95. When the Facility is operating, the voltage regulators shall control voltage at the Interconnection Point or some other mutually agreed-upon point consistent with the voltage range schedule provided by Company to Generator, as such schedule may be revised from time to time, and provided such voltage range is (i) consistent with Good Utility Practice, (ii) within the Facility's operating limits, and (iii) does not restrict or interfere with Generator's services to its customer(s). Unless the Parties agree otherwise, the Facility shall operate within plus or minus five percent (+/-5%) of unity power factor.
- 4.1.6 When the Facility is operating and synchronized with the Transmission System, Company may require Generator to provide reactive power from the Facility or to absorb reactive power from the Transmission System at Company's discretion; provided, that such requirement shall not require Generator to violate any then applicable operating limits including the reactive capability curves of the Facility or otherwise operate in a manner which is not within plus or minus five percent (+/-5%) of unity power factor.. The Parties recognize that Generator will typically be able to provide or absorb reactive power at no cost and therefore agree that Generator shall provide reactive power to or absorb reactive power from the Transmission System at no charge to Company. However, if the Generator is called to operate outside a range of plus or minus five percent (+/-5%) of unity power factor and as a result incurs costs or forgoes any revenues to provide or absorb such reactive power the Parties shall negotiate in good faith to address the reasonable costs to paid by Company to Generator for providing such services..
- 4.1.7 In accordance with mutually-agreed upon procedures, Company and Generator shall jointly operate the Joint Use Facilities in accordance with Good Utility Practice, including: (i) closing power circuit breakers to accomplish interconnection, but not synchronization, of the Facility to the Transmission System; (ii) opening power circuit breakers to remove the Facility from service; (iii) operating disconnect and ground switches as required; (iv) in-service relay testing; and (v) battery system testing and maintenance.

4.2 Other Applicable Operating Requirements

- 4.2.1 All data reported or required to be reported by Generator to WSCC or NERC pursuant to Applicable Laws and Regulations shall be made available to Company if reasonably related to ensuring the safety and reliability of the Transmission System. Generator shall provide Company with load flow and dynamic data as necessary for Company to comply with applicable WSCC and NERC requirements. Such data shall be "confidential" and "proprietary" to the extent provided by Article 13.11. Company shall comply with all applicable FERC approved codes of conduct with respect to such data, shall not use any such data for any purpose other than the foregoing and shall not provide any such data to any Person who does not have a need to know the same for the above purposes.
- 4.2.2 Prior to commencement of operation of the Facility, the Parties shall establish communication procedures to promote coordinated and reliable operation of their respective facilities. These procedures shall include names and phone numbers of responsible personnel for normal operations and names and phone numbers of responsible personnel for emergency operating conditions. As part of routine communications, each Party shall timely communicate to the other Party any unusual or unscheduled status of equipment or operation that may impact the safe and reliable operation of their respective facilities.
- (a) Generator shall maintain capability for communications between the Control Area operator and personnel at the Facility at all times. Generator shall at a minimum provide at its expense: (i) one (1) ringdown voice telephone line; (ii) one other form of telephone service such as cellular telephone service or local dial-up service; and (iii) equipment to transmit and receive telecopies from the Company.
- (b) Verbal operating communications, reports and notifications required under this Article 4 shall be by telephone unless otherwise directed by Company.
- 4.2.3 Generator shall notify Company as soon as possible in the event: (i) a unit and any associated equipment reaches any operating limit, including a var limit or a generator winding temperature limit; (ii) there is more than a two and one-half percent (2.5%) deviation from the nominal voltage requirements; or (iii) any voltage regulation equipment is removed from or restored to service.

4.3 Operational Jurisdiction

- 4.3.1 The Control Area operator shall have the right to Dispatch the Facility or any individual units(s) when all of the following conditions are satisfied (i) the Facility is available to be Dispatched, (ii) such Dispatch is necessary under Good Utility Practice to maintain System Integrity in connection with an Emergency or Abnormal Condition and (iii) such Dispatch cannot be avoided through the arms length acquisition by Company of Electricity from another source to maintain System Integrity. No Dispatch of the Facility shall be made by the Control Area operator based on economic considerations. Company shall compensate Generator for each such Dispatch at the rates provided in Generator's FERC approved tariff or such other rates as may be mutually agreed by the Parties.

- 4.3.2 The Company shall have, subject to Applicable Laws and Regulations and Applicable Reliability Criteria, exclusive operational jurisdiction over the Interconnection Facilities and shall exercise such jurisdiction in its sole discretion and judgment in accordance with Good Utility Practice and consistent with the terms of this Agreement. Such operational jurisdiction shall include the following:
- (a) continuous remote monitoring and Dispatch control of the Interconnection Facilities using the Company's system control and data acquisition system;
 - (b) continuous control over the operation of the Company Interconnection Facilities;
 - (c) coordination and approval of outage schedules in accordance with the terms of this Agreement and Applicable Laws and Regulations, subject to any applicable RTO rules, criteria and procedures;
 - (d) control of switching for isolating the Facility from the Transmission System; and
 - (e) the right to electrically disconnect the Facility from the Transmission System to maintain System Integrity in the event of an Emergency or Abnormal Condition as required by Good Utility Practice and consistent with the terms of this Agreement.
- 4.3.3 Any direction provided to the Generator will follow Good Utility Practice, will consider the machine limitations of each generator of the Facility and will be consistent with this Agreement. To the extent that the direction ultimately provided to the Generator by the Company has a consequential, negative impact or impacts on the Generator, the Company shall compensate Generator in accordance with the Generator's FERC approved rate schedule.
- 4.3.4 Actual operation of facilities shall be based upon existing system conditions and Applicable Reliability Criteria, which may warrant deviation from any written procedures.
- 4.3.5 Dispatch instructions shall be delivered by Company to Generator by telephone or ringdown voice telephone. When applicable, such instructions shall include the specified time or times such instructions are to be implemented.
- 4.3.6 Generator shall assume all responsibility for properly synchronizing the Facility for operation with the Transmission System. Synchronizing of the Facility to the Transmission System must be coordinated with and authorized by the Company's system control center.
- 4.3.7 Generator shall not, without prior Company authorization, energize a de-energized Company-owned circuit appurtenant to the Facility, including any line or bus elements. Generator shall provide equipment at Generator's expense to prevent this from occurring if determined necessary by Company in accordance with Good Utility Practice.

- 4.3.8 The Parties shall develop written switching and separation procedures to be consistent with Good Utility Practice. Consistent with Applicable Laws and Regulations, the switching and separation practices and procedures of Company as they exist at the time this Agreement is executed shall be used until such written procedures are agreed to by the Parties.
- 4.3.9 Isolation of the Interconnection Facilities from the Transmission System shall be accomplished at a lockable disconnect switch or switches. Neither Party nor any Person acting on its behalf shall remove the other Party's lock(s) from the lockable disconnect switch(es) or attempt to remove any safety tags that accompany such lock(s) without permission from said Party.

4.4 Continuity of Service

- 4.4.1 Subject to Article 4.4.2 and in accordance with Good Utility Practice, Company may require Generator to curtail, interrupt or reduce deliveries of Electricity if such delivery of Electricity adversely affects Company's ability to perform such activities as are necessary to maintain System Integrity.
- 4.4.2 With respect to any curtailment, interruption or reduction permitted under Article 4.4.1, Company agrees that:
- (a) Company shall notify the WECC reliability coordinator, or any successor.
 - (b) The curtailment, interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice.
 - (c) Any such curtailment, interruption or reduction shall be made on a non-discriminatory basis to all customers, including Company and its Affiliates, which effectively relieve the constraint.
 - (d) When the curtailment, interruption or reduction must be made under circumstances which do not allow for advance notice, Company shall notify Generator 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 by the close of the next business day.
 - (e) When the curtailment, interruption or reduction can be scheduled, Company shall consult in advance with Generator regarding the timing of such scheduling and the expected duration. Company agrees to use Due Diligence to schedule the curtailment or interruption to coincide with scheduled outages of the Facility and, if not possible, Company agrees to use Due Diligence to schedule the curtailment or interruption during non-peak load periods.
- 4.4.3 The Parties agree to cooperate and coordinate with each other to the extent necessary in order to restore the Facility, the Interconnection Facilities and the Transmission System to their normal operating state, as promptly as practicable consistent with system conditions and Good Utility Practice.

4.5 Emergency Response

- 4.5.1 If Company determines that curtailment, interruption or reduction in the output from the Facility is necessary because of an Emergency for which output from the Facility is contributing to such Emergency, Company shall specify the corrective action to be taken. If Company determines in accordance with Good Utility Practice that an increase in the Facility's output is necessary to prevent, mitigate or remedy an Emergency, Company may direct Generator to increase such output if the Facility is not currently at full output. In the event Company requires Generator to either curtail, interrupt or reduce deliveries or to increase its output pursuant to this Article 4.5.1, Company shall (i) use Due Diligence to mitigate the extent and duration of any such curtailment, interruption or reduction or any increase in output, (ii) provide any information reasonably requested by Generator to analyze the event, and (iii) compensate Generator for complying with any Company directive either to curtail, interrupt or reduce deliveries or to increase its output in accordance with a FERC-accepted tariff or rate schedule. If any request or action by the Company hereunder does not stabilize or mitigate the Emergency, then Company shall use Good Utility Practice to allow the Facility to resume operating levels as existed prior to such request.
- 4.5.2 Company shall promptly notify Generator by telephone of any Emergency regarding the Transmission System or the Interconnection Facilities which may reasonably be expected to affect Generator's operation of its Facility or the Generator Interconnection Facilities, and Generator shall provide Company with prompt notification by telephone of any Emergency regarding the Facility or the Interconnection Facilities which may reasonably be expected to affect Company's operations. In any circumstance where an Emergency results in an outage or interruption of the Facility or its ability to deliver Electricity, the prior telephone notification shall be followed by written documentation of the event as soon as reasonably practicable.
- 4.5.3 If a Party determines in its good faith judgment that an Emergency exists which endangers or could endanger life or property, such Party shall take such action as may be reasonable and necessary to prevent, avoid or mitigate injury and danger to or loss of life or property.
- 4.5.4 Neither Party shall be liable to the other Party for any action it takes in responding to an Emergency so long as such action is made using Due Diligence.
- 4.5.5 Generator reserves the right, in its sole discretion, to isolate or disconnect its Facility from the Transmission System if it believes an Emergency may cause damage to its Facility. Generator shall provide Company with prompt oral notification or such other notice as is reasonable under the circumstances.

4.6 Abnormal Condition Response

- 4.6.1 To the extent either Party is aware of any Abnormal Condition on its facilities, such Party shall provide the other Party with prompt notification by telephone of such Abnormal Condition if it may reasonably be expected to affect the other Party's facilities or operations.

- 4.6.2 To the extent known, any such notification provided hereunder shall include a description of the Abnormal Condition, the Abnormal Condition's expected effect on the operation of Generator's or Company's facilities, its anticipated duration, and the corrective action taken and/or to be taken with respect to the affected facilities, and the prior telephone notification shall be followed by written documentation of the event as soon as reasonably practicable.
- 4.6.3 Each Party shall cooperate and coordinate with the other Party in taking whatever corrective measures on its facilities as are reasonably necessary to mitigate or eliminate the Abnormal Condition including, to the extent necessary, adjusting the operation of equipment to within its rated operating parameters; provided, however, that such measures are consistent with Good Utility Practice and do not require operation of any of the Parties' facilities outside their operating limits.
- 4.6.4 Generator reserves the right, in its sole discretion, to isolate or disconnect its Facility from the Transmission System if it believes an Abnormal Condition may cause damage to its Facility.

4.7 Generation Imbalance Service

- 4.7.1 Generator must either purchase Generation Imbalance Service and Generation Regulation and Frequency Response Service as defined in OATT from the Company or make comparable arrangements with the appropriate customer(s) or provider(s) (e.g. its power marketer(s), other power marketer(s) or Transmission Customer(s)) for the assumption of responsibility for these services.
- 4.7.2 Charges for these services if purchased from the Company shall be calculated in accordance with the OATT.
- 4.7.3 Notwithstanding the foregoing, if the Facility operates in a separate Balancing Authority Area or the Facility output is dynamically scheduled out of Company's Balancing Authority Area to another Balancing Authority Area and the equipment and related telemetry to accomplish such dynamic scheduling are operational, then Generator shall not be obligated to comply with Article 4.7.1.

4.8 Facility Equipment Requirements

- 4.8.1 Generator shall comply with Company's requirements, determined in accordance with Good Utility Practice, for generator controls and all related systems which impact the Transmission System including excitation, governor droop and the off-frequency protective relay settings for the individual unit(s) of the Facility.
- 4.8.2 In accordance with Good Utility Practice, Generator shall have the power system stabilizers in proper service for each unit of the Facility whenever any unit is connected to the Transmission System. Generator shall maintain and test such power system stabilizers in accordance with Good Utility Practice and shall promptly notify Company if they are to be taken out of service while any unit is connected to the Transmission System.
- 4.8.3 In accordance with Good Utility Practice, Generator shall always have automatic governor droop control operational for each unit of the Facility whenever any unit is

connected to the Transmission System. Generator shall: (i) set the governors in accordance with WECC and NERC requirements; (ii) maintain such governors in accordance with Good Utility Practice; and (iii) promptly notify Company if they are to be taken out of service while any unit is connected to the Transmission System.

4.8.4 Generator shall install automatic generation control equipment and the Facility shall be capable of regulation and frequency response or real-time load regulation and frequency management in accordance with the Balancing Authority Area's requirements, and applicable NERC and WECC requirements.

4.8.5 All Electricity delivered by the Facility to Company shall be delivered at the Interconnection Point at a nominal voltage of 525 kV.

4.9 Metering

4.9.1 Electricity delivered to the Transmission System by the Facility shall be measured by Metering Equipment installed, owned, operated and maintained by Company at the Metering Point(s) set forth in Appendix B. Such Metering Equipment may have the capability for net metering.

4.9.2 Metering and telemetering equipment at the Metering Point(s) shall include potential and current sources, electric meters, and such other equipment as may be needed to provide, for each direction of flow, the following records in the agreed upon engineering units in accordance with the following specifications:

- (a) A continuous, accumulating record of watt-hours shall be provided by means of the registers on the meters.
- (b) A continuous signal of analog watts and vars shall be telemetered.
- (c) An accumulating record of the watt-hours for each fifteen (15) minutes shall be telemetered. All metered values provided to the Parties shall originate from common Metering Equipment. The watt-hour pulse value shall be sufficient to resolve full Facility output and minimum in-flows of auxiliary power.
- (d) Metering at locations different from the Interconnection Point shall be compensated for losses to the Interconnection Point.
- (e) For the purpose of checking the performance of Metering Equipment installed by Company, Generator may install check-metering equipment. Check-metering equipment shall be owned and maintained by Generator. Any check-metering equipment to be installed by Generator on Company-owned facilities shall be mutually agreed upon and installation procedures shall be developed.
- (f) Upon termination of this Agreement, each Party owning Metering Equipment, including any check-metering equipment, on the other Party's property shall remove, within ninety (90) days, such Metering Equipment from the premises of the other Party.

- (g) Company shall specify reasonable communications protocols for the telemetry. Generator shall have the right to all meter and telemetry data as received by the Company. The Parties shall agree upon procedures, which will set forth how such metering data is to be exchanged.

4.9.3 Metering Equipment shall be tested at least once every calendar year by Company. Either Party may request a special test of meters, but such Party shall bear the cost of such testing unless an inaccuracy shall be disclosed exceeding plus or minus one percent (+/- 1%), in which case Company shall be responsible for the costs of the special testing. Authorized representatives of both Parties shall have the right to be present at all routine or special tests and to inspect any readings, testing, adjustment or calibration of the meters.

- (a) The meters, test switches and wiring termination equipment shall be sealed, and the seals shall only be broken when the meters are to be tested or adjusted by Company.

- (b) If, at any test of Metering Equipment, an inaccuracy shall be disclosed exceeding plus or minus one percent (+/- 1%), the account between the Parties for service theretofore delivered shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (i) for the three (3) month period immediately preceding the day of the test; or (ii) for the period that such inaccuracy may be determined to have existed. Should Metering Equipment, as provided for under Article 4.9.2, at any time fail to register, the Electricity delivered shall be determined from the best available data, including check metering.

4.9.2 Generator shall electronically provide the real time status of station switching equipment (e.g., power circuit breakers, motor operated air break switches) and real time measurements of electrical parameters, including individual generating unit watt and var output, bus voltages and line/transformer watt var and ampere flows to Company's control center or successor in function. Company shall specify communications protocols for this telemetry. The accuracy of this metering equipment shall be plus or minus two percent (+/- 2%) or better.

4.9.3 Generator shall be responsible for providing, at its expense, all necessary communication equipment and transmission mediums such as telephone lines and any necessary protection for such equipment.

4.9.4 Subject to Article 13.11, each Party shall maintain and make available for review by the other Party records and/or copies of such records of all meter tests and maintenance conducted by such Party pursuant to this Article 4.9.

4.10 Maintenance

4.10.1 Each Party shall, in accordance with the terms of this Agreement and Good Utility Practice, operate, maintain, repair and inspect its respective Interconnection Facilities, which it now or hereafter may own or control unless otherwise specified in this Agreement. Each Party shall use Due Diligence to schedule Planned Outages and maintenance that will cause a deviation from normal Electricity flow at the Interconnection Point at times agreeable to the other Party. No changes shall be

made in the normal operation of the Interconnection Point without the mutual agreement of the Parties except as otherwise provided herein or in the OATT. The Parties shall coordinate the construction, operation and maintenance of their respective Protective Equipment. No more than once each year, Company shall provide Generator with Company's best estimate of the costs required to operate and maintain Company's Interconnection Facilities over the next twelve (12) months.

- 4.10.2 On or before October 1 of each year and subject to Article 13.11, the Parties shall exchange non-binding schedules of Planned Outages for the following twelve (12) month calendar-year period for those facilities that could be expected to have a material effect upon the other Party with respect to operations or performance under this Agreement. Such schedules shall be developed in accordance with Applicable Reliability Criteria and Applicable Laws and Regulations and shall be presented in a format agreed upon by the Parties. Such schedules shall include all applicable information including the following:
- (a) month, day and time of requested outage;
 - (b) facilities impacted (such as unit number and description);
 - (c) duration of outage;
 - (d) purpose of outage;
 - (e) amount of electrical capacity (in MWs) which is expected to be derated or off-line;
 - (f) special conditions and remarks;
 - (g) interaction/switching required;
 - (h) contact name (during normal business hours and after hours); and
 - (i) phone number (during normal business hours and after hours).
- 4.10.3 Company shall have the right, on a non-discriminatory basis, to review and approve or to require modification of such schedules by November 1 of each year, consistent with the terms of this Agreement and subject to any applicable RTO rules, criteria and procedures. The Parties shall use Due Diligence to reach agreement on any such requested modifications by December 1 of each year.
- (a) Each Party shall use Due Diligence to accomplish all Planned Outages in accordance with the approved schedule.
 - (b) Subsequent changes to the approved Planned Outage schedule may be requested and Company shall use Due Diligence to accommodate such changes but without any obligation to agree to revise the Planned Outage schedule.
- 4.10.4 Regardless of any prior approval of a Planned Outage schedule, neither Party nor its Representatives shall start a Planned Outage on its facilities without confirming the approved Planned Outage by Balancing Authority Area operator five (5) days prior to the start of such Planned Outage.
- 4.10.5 The minimum required advance notice to be provided by a Party to the other Party prior to the start of a maintenance outage that is not a Planned Outage shall be three (3) Business Days. Each Party shall use Due Diligence to provide maximum advance notice where possible.

- 4.10.6 If, at any time, Generator desires Company to perform maintenance during a time period other than as scheduled, Company shall exercise Due Diligence to meet Generator's request as long as it would not reasonably be expected to have a significant adverse impact upon Company's operations. If Generator's request is reasonably expected to have such a significant adverse impact and Generator agrees to reimburse Company for any costs incurred by Company in complying with the request, Company shall exercise Due Diligence to comply with Generator's request.

ARTICLE 5 - INTERCONNECTION COSTS AND BILLING

5.1 Interconnection Operating and Maintenance Cost

- 5.1.1 Generator shall be responsible for the costs, including applicable taxes, incurred by Company to design, engineer, procure and construct the Company Interconnection Facilities and System Upgrades in accordance with the terms of this Agreement. The Company's best estimate of the cost required to construct, install, operate and maintain the Company Interconnection Facilities and System Upgrades is as set forth in Appendix C. Such estimate shall not, however, be binding.
- 5.1.2 Company shall provide notice to Generator of any deviation in the scope of the work shown in Appendix A if such deviation would result in an estimated increase of five percent (5%) or more over the cost shown in Appendix C. In such circumstances, Company shall convene a technical meeting with Generator to evaluate the alternatives available to Generator. Company shall also make available to Generator all studies and work papers related to the cost deviation, including all information that is in the possession of Company and that is reasonably needed by Generator to evaluate the alternatives. The cost of the Company Interconnection Facilities and System Upgrades shall be incurred in accordance with this Agreement, any applicable Interconnection Studies and Good Utility Practice. Company shall be responsible for any costs incurred which are inconsistent therewith.
- 5.1.3 Generator shall have the right to receive such cost information as is reasonably necessary to verify the cost of the Company Interconnection Facilities and System Upgrades and that such cost was incurred in accordance with this Agreement, any applicable Interconnection Studies and Good Utility Practice.
- 5.1.4 As soon as practicable, but in no event later than twelve (12) months after completion of the construction of the Company Interconnection Facilities and System Upgrades, Company shall provide to Generator an invoice of the final cost of the Company Interconnection Facilities and System Upgrades. The final cost invoice shall set forth in reasonable detail the costs incurred by Company in constructing the Company Interconnection Facilities and System Upgrades and shall set forth such costs in sufficient detail to enable Generator to compare the costs with the estimates and to ascertain deviations, if any, from the cost estimates. To the extent that the final costs that Generator is obligated to pay hereunder exceeds the estimated costs already paid by Generator hereunder, Generator shall reimburse Company for the amount of such difference within thirty (30) days after receipt of an invoice for such amount in accordance with the billing provisions of this Agreement. To the extent that the estimated costs already paid by Generator hereunder exceed the final costs that Generator is obligated to pay hereunder, Company shall refund to Generator an

amount equal to the difference within thirty (30) Business Days of the issuance of the final cost invoice. Company shall use Due Diligence to minimize its costs.

- 5.1.5 As soon as practicable, but in no event later than twelve (12) months after completion of the construction of modifications or additions to the Company Interconnection Facilities and System Upgrades, Company shall update Appendix A and Appendix C based on the final installation and costs of the Company Interconnection Facilities and System Upgrades. Company shall provide copies of such revision to Generator pursuant to Article 7.
- 5.1.6 Notwithstanding any other provision in this Agreement, Generator shall not be responsible for any costs associated with the engineering, design, procurement, construction, testing, operation or maintenance of any modifications or upgrades to the Transmission System that are undertaken in order to prevent, mitigate or otherwise remedy conditions that existed prior to the establishment of the Interconnection and that were required or should have been required in order to prevent, mitigate or remedy such conditions regardless of, or that otherwise are unrelated to, the Interconnection. To the extent that Generator has made payment to Company for any such costs and expenses, Company shall refund to Generator such sums, with interest calculated in accordance with the methodology set forth in Article 5.5.3 from the date Generator made such payment(s) to the date Generator receives the refund, within thirty (30) Business Days of any determination as to the appropriate allocation of the costs for such modifications or upgrades.

5.2 Maintenance Costs

- 5.2.1 Generator shall be responsible for all of the expenses incurred by Company, including any reasonable costs related to switching requests made by Generator, in maintaining the Company Interconnection Facilities, in accordance with this Agreement and Good Utility Practice; provided such expenses are in accordance with FERC approved costs and accounting practices.
- 5.2.2 If one or more third parties use the Company Interconnection Facilities, Generator's responsibility for the expenses in Article 5.2.1 shall be based on the pro rata use of the Company Interconnection Facilities by Company, all third party users and Generator.

5.3 Modification Costs

- 5.3.1 Unless required by Applicable Laws and Regulations and Applicable Reliability Criteria, Generator shall not be responsible for the costs of any additions, modifications or replacements made to the Company Interconnection Facilities or the Transmission System by Company. Generator shall, however, be responsible for the costs of any additions, modifications or replacements made to the Company Interconnection Facilities or the Transmission System, which are required as a result of any additions, modifications, or replacements made by Generator to the Facility.
- 5.3.2 Company shall update Appendix A and Appendix C based on the any additions, modifications, or replacements and costs of the Company Interconnection Facilities and System Upgrades. Company shall provide copies of such revision to Generator

pursuant to Article 7.

5.4 Taxes

- 5.4.1 The Parties agree that this Agreement provides only for the connection of the Facility to the Transmission System and does not obligate Company to provide transmission service or any other service to Generator not expressly provided for herein. Generator is neither a customer nor potential customer of the Company's retail utility service, except when the Facility's own generation is not available to supply internal needs. During the first ten (10) taxable years of the Facility's Interconnection, it is not expected that more than five percent (5%) of the projected total power connected will flow to the Facility.
- 5.4.2 It is the Parties' intent that all payments by Generator to Company for the Company Interconnection Facilities shall be non-taxable contributions to capital under Section 118(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the principles of Notice 88-129, and shall not be taxable as contributions in aid of construction under Section 118(b) of the Code or otherwise under Code Section 61. Such payments shall be non-taxable in accordance with the Nevada Administrative Code (NAC) 704.6532 contributions to corporate capital.
- 5.4.3 Notwithstanding Article 5.4.2, Generator agrees to indemnify Company for any tax liability imposed on Company as a result of the payments made by Generator to Company for the costs identified in Article 5.1.1. The rate used to calculate the tax liability will be the rate in effect at the time the payments are made pursuant to this Agreement. Generator shall be responsible for (a) any payment or any interest or penalty incurred as a result of Company's delay in paying any taxes; or (b) any taxes incurred by Company after the expiration or termination of this Agreement. Such payment will be due within 10 days of Company's provision of documentation to Generator substantiating Company's payment to the IRS.
- 5.4.4 Provision of this tax indemnification does not give Generator the right to participate in any discussions or negotiations Company may have with the IRS regarding the Interconnection. If the IRS indicates to Company that it intends to audit or otherwise review the Interconnection, Company will immediately notify Generator of such intent. Generator may request, and Company may not unreasonably withhold, the right to participate in any discussions Company may have with the IRS regarding the Interconnection; provided, however, that Company reserves the right to negotiate a settlement of its IRS audit for any years affected by the Interconnection.
- 5.4.5 This tax indemnification will remain in effect until the status of the tax year in which payments were made for the Company Interconnection Facilities pursuant to Article 5.6 has been resolved either through settlement with the IRS or expiration of the statute of limitations. Company retains the right to waive such statute of limitations, as it deems necessary.

5.5 Responsibility for Sanctions

To the extent any sanctions or penalties are imposed on Company for failure to comply with compliance monitoring programs as a result in whole or in part of actions or inactions of

Generator, Generator shall be responsible for any portion of such sanction attributable to Generator's actions or inactions.

5.6 Invoices and Payments

5.6.1 Each Party shall render invoices to the other Party on a monthly basis for reimbursable services provided under this Agreement.

- (a) Unless otherwise provided in this Agreement, invoices that have been rendered in accordance with this Agreement shall be due and payable within twenty (20) days of receipt unless the twentieth day is not a Business Day, in which case payment shall be due on the next Business Day.
- (b) All payments shall be made in immediately available funds payable to the other Party at the address shown on the invoice or by wire transfer to a bank named by the Party being paid.

5.6.2 If all or a portion of an invoice is disputed, each Party shall continue to perform its respective services and meet its obligations hereunder as long as (i) each Party otherwise continues to make all payments not in dispute and (ii) the Party owing the disputed amount pays the disputed amount into an independent escrow account, pending resolution of this dispute pursuant to Article 11. If the owing Party fails to meet these requirements, the other Party may provide notice to the owing Party of its intention to suspend performance under this Agreement in sixty (60) days, in accordance with FERC policy.

5.6.3 In the event that any payment required under this Agreement is not made in accordance with the terms of this Article 5:

- (a) Any amount unpaid and due shall accrue interest from the original due date through the date payment is received, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(ii).
- (b) In the event such payment is not made within ninety (90) days following the date upon which it is due, a Party shall have the right, without liability, to offset any payments, including interest, due such Party against any payments owed to the other Party under this Agreement; provided, that a Party shall not be allowed to offset amounts that have been paid in to an independent escrow account pursuant to Article 5.6.2 pending resolution of a payment dispute.

5.7 Payment Not a Waiver

Payment of invoices by a Party shall not constitute a waiver of any rights or claims that Party may have under this Agreement. To the extent any provision of this Agreement with respect to cost responsibility is modified by FERC, each Party shall comply with the FERC directive within thirty (30) days unless otherwise ordered by FERC or FERC directs providers of interconnection service to modify their cost responsibility provisions in interconnection agreements.

5.8 Audits

- 5.8.1 Each Party, at its sole expense, shall have the right to audit any costs, payments or other supporting information pertaining to transactions under this Agreement to determine the accuracy of payments requested by the other Party. Costs billed pursuant to this Agreement for the design, engineering, procurement and construction of the Company Interconnection Facilities and System Upgrades shall be subject to audit for a period of two (2) years following the Company's issuance of a final cost invoice in accordance with Article 5.1.4, and invoices and payments related to such costs shall not be subject to audit and shall be deemed final upon the expiration of such two-year period. All other costs billed pursuant to this Agreement shall be subject to audit for only a period of two (2) years following the issuance of an invoice thereof, and invoices and payments related to such costs that are more than two (2) years old shall not be subject to audit and shall be deemed final.
- 5.8.2 Each Party shall keep records and supporting data related to all costs invoiced under this Agreement in conformity with generally accepted accounting principles for a period equivalent to the audit periods described in Article 5.8.1.
- 5.8.3 Audits shall take place (i) during normal business hours and at the offices where such accounts and records are maintained, unless otherwise agreed by the Parties, (ii) not more than once in any calendar year and (iii) in conformance with generally accepted auditing standards. Notwithstanding the foregoing, within the first two (2) years after the date on which the Facility commences commercial operation, Generator may conduct more than one (1) audit in each calendar year; provided, however, that it may not conduct more than three (3) audits during such two (2) year period.
- 5.8.4 To the extent that audited information includes confidential information, the auditing Party shall keep all such information confidential pursuant to Article 13.11.
- 5.8.5 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. If the determination is not disputed, the payment or refund shall be paid in the same manner as other invoices are paid under this Agreement.

5.9 Company Interconnection Facilities Reimbursement

If Company Interconnection Facilities or any part thereof are used by a third party, including Company, Generator shall be reimbursed by Company, based upon the pro rata use of the Company Interconnection Facilities by the third party user. Reimbursement shall be calculated based on:

$$TPO = [TPC / (TPC + GC)] * OCLD$$

Where

TPO = Third Party's cost of facilities obligation

TPC = Third Party's total interconnection capacity over the portion of the Company Interconnection Facilities at the date commercial operation of the

Third Party facility

GC = Generator's total interconnection capacity over the portion of the Company Interconnection Facilities mutually used by both Generator and Third Party at the date of commercial operation of the Third Party facility

OCLD = The original cost less depreciation, as recorded on the Company's books, of the components of the Company Interconnection Facilities to be used by the third party

Reimbursement to Generator hereunder shall be exclusively based on the payment from the third party, including Company, to Company attributable to such incremental use of the Company Interconnection Facilities and is limited to the share being used by future customers.

ARTICLE 6 - DEFAULTS AND REMEDIES

6.1 Events of Default

6.1.1 An "Event of Default" under this Agreement shall occur if a Party (i) fails in any material respect to comply with, observe or perform, or default in the performance of any material covenant or obligation under this Agreement or if any representation or warranty made herein by a Party shall fail to be true and correct in all material respects and (ii) after receipt of written notice, such failure shall continue for a period of thirty (30) days or, if such failure is not capable of cure within thirty (30) days, the Party fails to commence such cure within thirty (30) days after receipt of such notice and to continuously and diligently complete such cure within ninety (90) days of receipt of such notice.

6.1.2 If an Event of Default shall occur and continue for more than ninety (90) days from the date the notice of default is received, the non-defaulting Party may, by notice and subject to the Federal Power Act, terminate this Agreement as of the date specified in such later notice or such other date as FERC may approve, provided, however, that Company may not terminate this Agreement if Generator is the defaulting Party so long as Generator compensates Company, subject to the limitations on damages provided for herein, for damages incurred by Company as a result of such default (subject to Article 8) unless such default creates an uncured material adverse effect on System Integrity. If the non-defaulting Party is Company, Company may, at its election, upon receiving FERC acceptance of the termination of this Agreement, open the Interconnection. In addition, in the event of such default and/or termination, the non-defaulting Party may, subject to the limitations on damages and remedies provided for herein, exercise, at its election, any right or remedy it may have at law or in equity in a manner consistent with the terms of this Agreement, including compensation for monetary damages, injunctive relief and specific performance.

6.2 Remedies Cumulative

Subject to Articles 8 and 11, no remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

ARTICLE 7 - NOTICES

7.1 Notices

Any notice, demand or request required or authorized by this Agreement to be given by one Party to the other Party shall be in writing. Such notice, demand or request shall either be personally delivered, transmitted by telecopy or facsimile equipment (with receipt verbally and electronically confirmed), sent by overnight courier or certified or registered mailed, postage prepaid, to the other Party at the address designated pursuant to Article 7.2. Any such notice, demand or request so delivered or mailed shall be deemed to be given when so delivered or three (3) days after being mailed.

7.2 Addresses of the Parties

7.2.1 Notices and other communications by Generator to Company shall be addressed to:

Manager, Transmission Business
Mailing Address: 6100 Neil Road M/S S3B40
Reno, NV 89511
E-mail: TransmissionPolicy@nvenergy.com

7.2.2 Notices and other communications by Company to Generator shall be addressed to:

Hamid Nejad
Assistant Director of Fuel and Power Purchase Division
Los Angeles Department of Water and Power
111 N. Hope Street, Room 1155
Los Angeles, CA 90012
E-mail: hamid.nejad@ladwp.com

With a copy to :

Eric Tharp
Director of Fuel and Power Purchase Division
Los Angeles Department of Water and Power
111 N. Hope Street, Room 1155
Los Angeles, CA 90012
E-mail: eric.tharp@ladwp.com

Bill Carnahan
Executive Director
SCPPA
1160 Nicole Court
Glendora, CA 91740
E-mail: bcarnahan@scppa.org

7.2.3 Either Party may change its contact, address, telephone and facsimile numbers by written notice to the other Party in accordance with this Article 7.

ARTICLE 8 - INDEMNIFICATION AND INSURANCE

8.1 Indemnity

Generator shall at all times indemnify, defend and hold harmless Company 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 Company's performance of its obligations under this Agreement on behalf of the Generator, except in cases of negligence or intentional wrongdoing of the Company.

8.2 This Article Intentionally Left Blank

8.3 This Article Intentionally Left Blank

8.4 Insurance

8.4.1 Each Party shall be required to maintain, at its own expense, all risk property, liability, worker's compensation, and other forms of insurance relating to its property, operations and facilities in the manner and amounts set forth below for the term of this Agreement. Each Party shall require the other Party to maintain coverage for six (6) years on all policies written on a "claims made" basis.

8.4.2 The minimum insurance requirements of Company shall be:

- (a) Worker's compensation insurance in accordance with statutory requirements including employer's liability insurance with limits of not less than \$1 million each accident, \$1 million disease-policy limit and \$1 million disease-each employee, and endorsement providing insurance for obligations under the U.S. Longshoremen's and Harbor Worker's Compensation Act and the Jones Act where applicable.
- (b) General liability insurance including bodily injury, property damage, products/completed operations, contractual and personal injury liability with a per occurrence limit of at least \$5 million and a general aggregate of at least \$10 million.
- (c) Automobile liability insurance including owned, non-owned and hired automobiles with an each accident limit of at least \$2 million.

8.4.3 The minimum insurance requirements of Generator shall be:

- (a) Worker's compensation insurance in accordance with statutory requirements including employer's liability insurance with limits of not less than \$1 million each accident, \$1 million disease-policy limit and \$1 million disease-each employee and endorsement providing insurance for obligations under the U.S. Longshoremen's and Harbor Worker's Compensation Act and the Jones Act where applicable.

- (b) General liability insurance including bodily injury, property damage, products/completed operations, contractual and personal injury liability with a per occurrence limit of at least \$5 million and a general aggregate of at least \$10 million.
- (c) All risk property insurance including boiler and machinery against damage to all owned, leased or operated property that is part of the Facility within limits consistent with industry practice.
- (d) Automobile liability insurance including owned, non-owned and hired automobiles with an each accident limit of at least \$2 million.

8.4.4 Every contract of insurance providing the coverages required in this Article 8.4 shall be with an insurer approved to do business in the State of Nevada and with the equivalent of a “Best Rating” of “A” or better and shall include provisions or endorsements:

- (a) stating that such insurance is primary insurance with respect to the interest of the other Party and that any insurance maintained by the other Party is excess and not contributory insurance required hereunder;
- (b) stating that no reduction, cancellation or expiration of the policy shall be effective until ninety (90) days from the date written notice thereof is actually received by the other Party; provided, that upon a Party's receipt of any notice of reduction, cancellation or expiration, that Party shall immediately provide written notice thereof to the other Party; and
- (c) naming the other Party and its Affiliates as additional insureds on the general liability insurance policies as their interests may appear with respect to this Agreement.

8.4.5 Each Party agrees that it is acceptable to self-insure in whole or in part the insurances required in this Article 8.4; provided, however, each Party agrees that all other provisions of this Article 8.4, including waiver of subrogation and additional insured status, which provide or are intended to provide protection for either Party and its Affiliates under this Agreement, shall remain enforceable. Either Party's election to self-insure shall not impair, limit, or in any manner result in a reduction of rights and/or benefits otherwise available to the other Party and its Affiliates through formal insurance policies and endorsements as specified in this Article 8.4.

8.4.6 Within fifteen (15) days of the Effective Date, each Party shall provide to the other Party, and shall continue to provide to the other Party within fifteen (15) days of each anniversary of the Effective Date during the term of this Agreement, upon any change in coverage, or at the request of the other Party not to exceed once each year, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by such Party under this Agreement. Certificates of insurance shall provide the following information:

- (a) name of insurance company, policy number and expiration date;

- (b) the coverage required, including the amount of deductibles or self-insured retentions, which shall be for the account of the Party maintaining such policy;
- (c) a statement indicating that the other Party shall receive at least thirty (30) days prior written notice of cancellation or expiration of a policy or of a reduction of liability limits with respect to a policy; and
- (d) a statement indicating that the other Party and its Affiliates have been named as additional insureds.

8.4.7 Each Party shall have the right to inspect the original policies of insurance applicable to this Agreement at the other Party's place of business during regular business hours.

ARTICLE 9 - FORCE MAJEURE

9.1 Procedure

Neither the Company nor the Generator will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement.

ARTICLE 10 - COMPLIANCE WITH LAW; PERMITS; APPROVALS

10.1 Applicable Laws and Regulations

This Agreement and all rights, obligations, and performances of the Parties hereunder are subject to Applicable Laws and Regulations. Notwithstanding the foregoing, each Party shall have the right at its sole expense to contest the application of any Applicable Laws and Regulations to the other Party before the appropriate authorities.

10.2 Approvals and Permits

Each Party shall give all required notices and shall use Due Diligence to procure and maintain all necessary governmental approvals, permits, licenses and inspections necessary for its performance of this Agreement.

ARTICLE 11 - DISPUTE RESOLUTION

11.1 Internal Dispute Resolution Procedures

Any dispute, disagreement or claim arising out of or concerning this Agreement must first be addressed by the Parties. Each Party shall appoint a representative who shall be responsible for administering this Agreement on behalf of such Party and for representing the Party's interests in disagreements. Any dispute that is not resolved between the Parties' representatives within ten (10) Business Days of when the disagreement is first raised by written notice by one Party to the other Party shall be referred by the Parties' representatives in writing to the senior management of the Parties for resolution. In the event the senior management are unable to resolve the dispute within twenty (20) Business Days (or such other period as the Parties may agree upon) of such referral, each Party may pursue resolution of the dispute through other

legal means consistent with the terms of this Agreement and the OATT. All negotiations pursuant to these procedures for the resolution of disputes shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the federal rules of evidence and state rules of evidence.

11.2 Continued Performance

The Parties shall continue to perform their respective obligations under this Agreement during the pendency of any dispute including a dispute regarding the effectiveness or the purported termination of this Agreement.

11.3 Arbitration

11.3.1 Except as provided in Article 11.4.2, if any claim or dispute arising hereunder is not resolved within sixty (60) days after notice thereof to the other Party, the Parties may mutually agree to submit such dispute to binding arbitration in Clark County, Nevada, or some other mutually agreed upon location and shall be heard by one mutually agreed-upon neutral arbitrator under the American Arbitration Association's Commercial Arbitration Rules ("Arbitration Rules"); provided, however, that in the event of a conflict between the Arbitration Rules and the terms and provisions of this Article 11, the terms and provisions of this Article 11 shall govern. The arbitrator must be knowledgeable in matters that are the subject of the dispute. If the Parties fail to agree upon a single arbitrator, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall select a third, neutral arbitrator to chair the arbitration panel. Each Party shall be responsible for its own costs incurred during the arbitration process and for one-half of the costs of the single arbitrator jointly chosen by the Parties or, in the alternative, 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.

11.3.2 The arbitration process shall be expeditiously concluded as quickly as practicable under the circumstances and the award of the arbitrator(s) shall be accompanied by a reasoned opinion if requested by either Party. The arbitrator(s) shall have no authority to award punitive, multiple or treble damages or any damages inconsistent with the terms of this Agreement. The arbitrator(s) shall have the authority only to interpret and apply the terms and conditions of this Agreement and shall have no power to modify or change any term or condition except as required by Applicable Laws and Regulations. The arbitrator(s) shall be required to follow all Applicable Laws and Regulations. The decision of the arbitrator(s) rendered in such a proceeding shall be final; provided, however, that such decision may be challenged solely on grounds that the conduct of the arbitrator(s) or the decision itself violates the standards set forth in the Federal Arbitration Act. Judgment may be entered upon it in any court having jurisdiction. The decision must also be filed at FERC if it affects FERC-jurisdictional rates, terms and conditions of service or facilities.

11.4 Procedures

11.4.1 The procedures for the resolution of disputes set forth in this Agreement shall be the sole and exclusive procedures for the resolution of disputes; provided, however, that a Party may seek a preliminary injunction or other preliminary judicial relief if, in its judgment, such action is necessary to avoid irreparable damage or to preserve the

status quo. Despite such action, the Parties shall continue to participate with Due Diligence in the procedures specified herein. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified herein are pending. The Parties shall take such action, if any, required to effectuate such tolling. Each Party shall be required to continue to perform its undisputed obligations under this Agreement pending final resolution of a dispute.

11.4.2 Either Party may file an application, petition or complaint with FERC with respect to any claim or dispute over which FERC has jurisdiction. Once an application, petition or complaint has been filed with FERC with respect to an issue or matter, neither Party shall have the ability to demand arbitration, and any pending arbitration shall be stayed, with respect to the claim or dispute unless FERC determines that it has no jurisdiction or declines to resolve all or a portion of a claim or dispute, that portion of the claim or dispute may be resolved through arbitration as provided for in this Article 11. Any decision, finding of fact or order of FERC shall be final and binding, subject to the judicial review provided for under the Federal Power Act. The arbitrator(s) shall have no authority to modify, and shall be conclusively bound by, any decision, finding of fact or order of FERC; provided, however, that if FERC declines to resolve any issue either Party may proceed with arbitration under this Agreement with respect to any such issue.

11.5 Confidentiality

The existence, contents or results of any arbitration proceeding conducted under this Article 11 may not be disclosed without the prior written consent of both Parties; provided, however, that either Party may (i) make such disclosures as may be necessary to satisfy regulatory obligations to any regulatory authority having jurisdiction or to seek or obtain from a court of competent jurisdiction judgment on, confirmation or vacation of an arbitration award; (ii) inform its lenders, Affiliates, auditors and insurers, as necessary, under pledge of confidentiality; and (iii) consult with experts as required in connection with the arbitration proceeding under pledge of confidentiality. If either Party seeks a preliminary injunctive relief from any court to preserve the status quo or to avoid irreparable harm pending arbitration, the Parties agree to use commercially reasonable efforts to keep the court proceedings confidential, to the maximum extent permitted by law.

11.6 Equitable Remedies

Nothing herein shall prevent either Party from pursuing or seeking any equitable remedy available to it under Applicable Laws and Regulation, at any time, in any court of competent jurisdiction.

ARTICLE 12 - REPRESENTATIONS AND WARRANTIES

12.1 Generator's Representations and Warranties

Generator makes the following representations and warranties:

- (a) Generator is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite power and authority to own its properties, to carry on its business as now being conducted, to enter into this Agreement and the transactions contemplated herein and perform and carry out all

covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.

- (b) Generator is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution and delivery of this Agreement, the consummation of the transactions contemplated herein and the fulfillment of, and compliance with, the provisions of this Agreement shall not conflict with or constitute a breach of, or a default under, or require any consent, license or approval that has not been obtained, except as set forth in Article 2.3, pursuant to any of the terms, conditions or provisions of any Applicable Laws and Regulations, the certificate of formation of Generator or any contractual limitation, restriction or outstanding trust indenture, deed of trust, mortgage, loan agreement, lease, other evidence of indebtedness or any other agreement or instrument to which Generator is a party or by which it or any of its property is bound.
- (c) Generator has taken all such actions as may be necessary or advisable and proper to authorize this Agreement, the execution and delivery hereof, and the consummation of transactions contemplated hereby.
- (d) This Agreement is a legal, valid and binding obligation of Generator enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditor's rights or by the exercise of judicial discretion in accordance with general principles of equity.
- (e) The representations and warranties in this Article 12.1 shall continue in full force and effect for the term of this Agreement.

12.2 Company's Representations and Warranties

Company makes the following representations and warranties:

- (a) Company is a corporation duly organized, validly existing under the laws of the State of Nevada, is in good standing under its certificate of incorporation and has the requisite power and authority to own its properties, to carry on its business as now being conducted, to enter into this Agreement and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.
- (b) Company is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution and delivery of this Agreement, the consummation of the transactions contemplated herein and the fulfillment of, and compliance with, the provisions of this Agreement shall not conflict with or constitute a breach of, or a default under, or require any consent, license or approval that has not been obtained, except as set forth in Article 2.3, pursuant to any of the terms, conditions or provisions of any Applicable Laws and Regulations, the certificate of incorporation and by-laws of Company or any contractual limitation, corporate restriction or outstanding trust indenture, deed of trust, mortgage, loan agreement,

lease, other evidence of indebtedness or any other agreement or instrument to which Company is a Party or by which it or any of its property is bound.

- (c) Company has taken all such corporate actions as may be necessary or advisable and proper to authorize this Agreement, the execution and delivery hereof, and the consummation of transactions contemplated hereby.
- (d) This Agreement is a legal, valid and binding obligation of Company enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditor's rights or by the exercise of judicial discretion in accordance with general principles of equity.
- (e) The representations and warranties in this Article 12.2 shall continue in full force and effect for the term of this Agreement.

ARTICLE 13 - MISCELLANEOUS PROVISIONS

13.1 Safety

- 13.1.1 Subject to the provisions of Article 8, each Party agrees to be solely responsible for and assume all liability for the safety and supervision of its Representatives and subcontractors.
- 13.1.2 The Parties agree that all work (including switching, tagging, grounding and isolation) performed by either Party which could be expected to affect the operations of the other Party shall be performed in accordance with all Applicable Laws and Regulations pertaining to the safety of persons or property, including compliance with the safety regulations and standards adopted under the Occupational and Safety Health Act (OSHA) of 1970, as amended from time to time, the National Electrical Safety Code, as amended from time to time, and Good Utility Practice.

13.2 Subcontractors

- 13.2.1 Nothing in this Agreement shall prevent either Party from utilizing the services of subcontractors as it deems appropriate; provided, however, that all such subcontractors shall comply with all of the terms and conditions of this Agreement.
- 13.2.2 The creation of any subcontract relationship shall not relieve the retaining Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any obligation imposed by this Agreement upon either Party, where applicable, shall be equally binding upon and construed as having application to any subcontractor.
- 13.2.3 Each Party shall be liable for, indemnify and hold harmless the other Party, its Affiliates, Representatives and assigns from and against any and all claims, demands or actions from its own subcontractors and shall be responsible for all costs, expenses and legal fees associated therewith and all judgments, decrees and awards rendered therein.

- 13.2.4 No subcontractor is intended to be or shall be deemed a third party beneficiary of this Agreement.
- 13.2.5 Each Party shall require its subcontractors to comply with all Applicable Laws and Regulations regarding insurance requirements and shall maintain standard and ordinary insurance coverages. The obligations under this Article 13.2 are not limited in any way by any limitation on subcontractor's insurance.

13.3 Rights of Access

- 13.3.1 Each Party agrees to grant, at no cost to the other Party, all rights of access upon or licenses over, under and across its property that are necessary for said Party and its employees, consultants, contractors and subcontractors to construct, test, operate and maintain its facilities in accordance with the terms of this Agreement; provided, however, that in exercising such access rights, said Party shall (i) obtain permission for access through agreed upon procedures, (ii) be escorted while on the property if required by the owner, (iii) not unreasonably disrupt or interfere with normal operations of other Party's business, (iv) act in a manner consistent with Good Utility Practice, and (v) adhere to the safety rules and procedures established by said Party. Each Party shall execute such documents as may be required to enable it to establish record evidence of such access rights. Such access rights shall remain in effect for so long as this Agreement is in effect.
- 13.3.2 Any Party or its subcontractors performing construction, or other work, on the property of the other Party shall be responsible for proper housekeeping during the period the work is being performed and proper clean-up of the property in a timely fashion after the work is completed.

13.4 Environmental Compliance and Procedures

The Parties agree to comply with (i) all applicable Environmental Laws which affect the ability of the Parties to meet their obligations under this Agreement and (ii) all local, state and federal notification and response procedures required for all applicable environmental and safety matters which affect the ability of the Parties to meet their respective obligations under this Agreement. Each Party agrees, to the fullest extent permitted by Applicable Law and Regulations, to indemnify, defend and hold harmless the other Party and its respective Indemnified Parties, as provided in Article 8, from and against any and all Indemnifiable Losses that arise out of, or result from any violation of any Environmental Law by such Party or any of its Indemnified Parties, whether on such Party's facilities or property or the facilities or property of the other Party, including identification, abatement, cleanup, control, removal, remediation, handling, transportation and disposal of any Hazardous Substances.

13.5 Severability

If any provision or provisions of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions or the application of such provision to persons or circumstances, other than those as to which it is held to be invalid or unenforceable, shall in no way be affected or impaired thereby.

13.6 Modifications

No waiver of a Party's rights hereunder shall be binding unless it shall be in writing and signed by the Party against which enforcement is sought. Except as provided in Articles 13.19 and 13.20, this Agreement may only be amended by a written instrument duly executed by each of the Parties.

13.7 Prior Agreement Superseded

This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and its execution supersedes all previous agreements, discussions, communications and correspondence with respect to such subject matter.

13.8 Counterparts

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

13.9 Further Assurances

The Parties agree (i) to furnish upon request to each other such further information, (ii) to execute and deliver to each other such other documents and (iii) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement.

13.10 Relationship of the Parties/No Third-Party Beneficiaries

13.10.1 Nothing in this Agreement shall be construed as creating any relationship between the Parties, including any partnership or joint venture, other than that of independent contractors.

13.10.2 This Agreement is not intended to and does not confer upon any Person other than the Parties hereto any rights or remedies hereunder.

13.10.3 Unless otherwise agreed to in writing signed by both Parties, neither Party shall have any authority to create or assume in the other Party's name or on its behalf any obligation, express or implied, or to act or purport to act as the other Party's Representative for any purpose whatsoever.

13.10.4 Neither Party shall be liable to any third party in any way for any engagement, obligation, contract, representation or any negligent act or omission of the other Party, except as expressly provided for herein.

13.11 Confidentiality

13.11.1 The Parties agree that certain information relating to and included in this Agreement and the Interconnection contemplated hereby that the Parties may exchange or have exchanged may be confidential, proprietary or of competitive value, and that all information designated as such shall be kept confidential as provided herein. Such obligation of confidentiality shall also extend to all information of a commercial

nature or which concerns the cost, design, operation, maintenance, scheduling, output and other economic aspects of the Facility, whether exchanged orally or in written or electronic form, and all information that is metered or telemetered with respect to the Facility and the Interconnection Facilities. Other information considered by a Party to be confidential, proprietary or of a competitive value shall also be kept confidential so long as such information is marked “confidential” or “proprietary” at the time of disclosure, or if disclosed orally, the receiving Party confirms promptly in writing that such information is to be treated as confidential for purposes of this Agreement. Each Party shall only be permitted to disclose confidential information to its Affiliates and each of their respective Representatives who need to know such information for the purpose of implementing this Agreement (but only so long as the disclosure of such information to such Persons and the use of such information thereby complies with the requirement of applicable standards of conduct on file at FERC), except that each Party may disclose such information to its Representatives who need to know such information for any proper purpose related to such Party’s business affairs, including potential and actual investors, sources of financing, owners and Person with whom such Party may enter into one or more tolling arrangements whereby such Person provides fuel to and/or receives Electricity from the Facility. Each Party agrees to notify such Persons of the confidential nature of such information and to be responsible for any unauthorized disclosure of such information by such Persons. Without limiting the generality of the foregoing, Company agrees not to disclose or permit the disclosure of such information to (i) Company's merchant function or any of its non-utility generator subsidiaries or Affiliates in competition with Generator or (ii) its Representative or Affiliates, who are engaged in wholesale power merchant functions that are in competition with Generator. Information shall not be deemed to be confidential if it (i) was in the public domain prior to the date hereof, (ii) becomes publicly available after the date hereof other than as a result of the unauthorized disclosure thereof by a Party or by an Representative or Affiliate of a Party, (iii) becomes available to a Party on a non-confidential basis from a source other than the other Party if such source was not subject to any prohibition against transmitting the information, or (iv) is required to be disclosed pursuant to any Applicable Laws and Regulations or pursuant to administrative or judicial process. Notwithstanding anything contained in this Agreement, confidential information may be disclosed to WECC, NERC and any Governmental Authority requiring such confidential information; provided, that prior to disclosure, the disclosing Party shall promptly inform the other Party of the substance of any inquiries so that the other Party may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure. The Parties agree to abide by the terms of this Article 13.11 for as long as this Agreement is in effect and for a period of two (2) years thereafter.

- 13.11.2 Each Party may utilize information or documentation furnished by the disclosing Party and subject to Article 13.11.1 in any proceeding or dispute under Article 11 or in an administrative agency or court of competent jurisdiction addressing any dispute arising under this Agreement, subject to a confidentiality agreement with all participants (including, if applicable, any arbitrator) or a protective order.
- 13.11.3 Each Party shall promptly notify the other Party if it receives notice or otherwise concludes that the production of any information or documentation furnished by the disclosing Party and subject to this Article 13.11 is being sought under any provision

of law, but the notifying Party shall have no obligation to oppose or object to any attempt to obtain such production. If the disclosing Party desires to object or oppose such production, it must do so at its own expense.

13.11.4 Upon request of either Party, the other Party shall promptly return or destroy all confidential information and all copies or extracts thereof, which are in its possession. A certification of destruction shall be provided upon request.

13.11.5 Each Party agrees that the other Party is entitled to equitable relief by way of injunction or otherwise if it breaches or threatens to breach its obligations under this Article 13.11. Either Party shall be entitled to seek and obtain, without proof of actual damages, temporary or preliminary injunctive relief.

13.12 Interpretation

13.12.1 The words “include” or “including” in this Agreement shall mean “including without limitation” and “including, but not limited to” based on the item or items listed.

13.12.2 The appendices are hereby incorporated by reference into and shall be deemed a part of this Agreement.

13.12.3 All indices, titles, subject headings, section titles and similar items in this Agreement are provided for the purpose of reference and convenience only and are not intended to be inclusive or definitive or to affect the meaning of the contents or scope of this Agreement.

13.13 Submission to Jurisdiction; Waivers; Governing Law

Subject to the provisions of Article 11, each of the Parties hereby:

- (a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the jurisdiction of the federal and state courts of the State of Nevada and the appellate courts from any thereof;
- (b) consents and agrees that any such action or proceeding may be brought in and only in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the other Party at its address set forth in Article 7, or at such other address of which the other Party shall have been notified pursuant thereto;
- (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and
- (e) agrees that this Agreement is to be governed by federal law where applicable, and when not in conflict with or preempted by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to its conflict of laws principles.

13.14 Successors, Assigns and Assignments

- 13.14.1 This Agreement shall inure to the benefit of, and be binding upon, Company and Generator and their respective successors and permitted assigns.
- 13.14.2 Company shall not assign or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of Generator, such consent not to be unreasonably withheld or delayed, except that Company may assign or transfer its rights and obligations under this Agreement without the prior written consent of Generator, if Company is not then in material default of this Agreement:
- (a) where any such assignment or transfer is to an Affiliate;
 - (b) where such assignment or transfer is to an independent transmission company or RTO that becomes responsible for the Company Interconnection Facilities and the Transmission System; or
 - (c) to any successor to or transferee of the direct or indirect ownership or operation of all or part of the Company Interconnection Facilities and the Transmission System.
- 13.14.3 Notwithstanding anything herein to the contrary, Generator shall not assign or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of Company, such consent not to be unreasonably withheld or delayed, except that Generator may assign or transfer its rights and obligations under this Agreement without the prior written consent of Company, if Generator is not then in material default of this Agreement:
- (a) where any such assignment or transfer is to an Affiliate;
 - (b) to any Person or entity (or any Affiliate thereof) that purchases or otherwise acquires, directly or indirectly, all or substantially all of the Facility; or
 - (c) to any person(s), entity(ies) or institution(s) providing financing or refinancing for the development, design, construction or operation of the Facility or for the costs of the Interconnection Facilities or System Upgrades.
- 13.14.4 Except as specifically provided for in Articles 13.14.2 and 13.14.3, any assignment or transfer of this Agreement or any rights, duties or interests hereunder by any Party without the written consent of the other Party shall be void and of no force or effect.
- 13.14.5 No assignment of the rights and obligations of this Agreement by a Party shall release said Party from its obligations or from liability or financial responsibility for the performance thereof unless and until the assignee agrees in writing to assume the obligations and duties of said Party under this Agreement and the non-assigning Party reasonably determines that the assignee is no less technically and financially capable of performing its obligations under the Agreement than was the assigning Party.

13.15 Waivers

The failure of either Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, but the same shall continue and remain in full force and effect, except with respect to the particular instance or instances.

13.16 Good Utility Practice

Company and Generator shall discharge any and all obligations under this Agreement in a prudent manner and in accordance with Good Utility Practice and Due Diligence.

13.17 Accommodation of Financing Parties

To facilitate Generator's or any purchaser of the output from the Facility's obtaining of financing, Company will agree to reasonable modifications of this Agreement as may be requested to protect the interest of any Persons providing such financing, provided that such modifications do not materially adversely affect Company's rights or duties under this Agreement.

13.18 Cooperation

Each Party to this Agreement shall reasonably cooperate with the other Party and shall employ Due Diligence as to all aspects relating to the performance of their respective obligations under this Agreement.

13.19 Company Section 205 Rights

Notwithstanding any provisions in this Agreement to the contrary, Company may unilaterally make application to FERC under Section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder for a change in any rate, term, condition, charge, classification of service, rule or regulation under or related to this Agreement.

13.20 Generator Sections 205 and 206 Rights

Notwithstanding any provisions in this Agreement to the contrary, Generator may exercise its rights under Sections 205 and 206 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder with respect to any rate, term, condition, charge, classification of service, rule or regulation for any services provided under this Agreement over which FERC has jurisdiction.

13.21 Good Faith Negotiations Upon Occurrence of Certain Events

13.21.1 If a Governmental Authority or RTO having jurisdiction implements any change which materially affects or is reasonably expected to materially affect either Party's ability to perform under this Agreement, the Parties agree to re-negotiate with Due Diligence an amendment(s) to this Agreement or to take other appropriate action so as to put each Party in as nearly the same position as the Parties would have been had such a change not occurred.

- 13.21.2 If, within sixty (60) days after the occurrence of any event described in Article 13.21.1, the Parties (i) are unable to reach agreement as to what, if any, amendment(s) is necessary and (ii) fail to take other appropriate action so as to put each Party in as nearly the same position as the Parties would have been had such an event not occurred, the Parties may proceed under Article 11 to resolve any disputes related thereto, except that the requirement for each Party to engage in informal negotiations and refer the matter to senior management, as set forth in Article 11.1, shall not apply.
- 13.21.3 If either Party is unable to fully perform this Agreement due to the occurrence of any event described in Article 13.21.1, the affected Party shall not be deemed to be in default of its obligations under this Agreement to the extent that (i) the Party is unable to perform as a result of such an event and (ii) the affected Party acts in accordance with its obligations under this Article 13.21.

13.22 Disclaimer of Warranties

Except for the representations and warranties set forth in this Agreement, neither Party makes any (and hereby expressly disclaims any) representation or warranty, express or implied, with respect to the performance of its obligations pursuant to this Agreement, any facilities to be constructed, operated or maintained by it, or any component part thereof, or any other matter in connection with this Agreement. In particular, but not by way of limitation, no implied warranty of merchantability, condition, quality, durability, design or fitness, suitability for a particular purpose, conformity with models, samples, pictures or drawings is made by either Party in any respect whatsoever, and all such warranties are expressly disclaimed.

ARTICLE 14 -SIGNATURES

14.1 Signatures

The signatories hereto represent that they have been appropriately authorized to enter into this Interconnection and Operation Agreement on behalf of the Party for whom they sign. This Interconnection and Operation Agreement is hereby executed as of the day and year first written above.

NEVADA POWER COMPANY
POWER AUTHORITY

SOUTHERN CALIFORNIA PUBLIC

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Date Signed:_____

Date Signed:_____

APPENDIX A

**FACILITY, INTERCONNECTION FACILITIES, SYSTEM UPGRADES
AND REGIONAL REQUIRED SYSTEM UPGRADES**

1. **Name:** **Southern California Public Power Authority**
2. **Location:** **20 miles north east of Las Vegas**
3. **Nominal Delivery Voltage:** **525 kV**
4. **Metering Voltage:** **525 kV**
5. **Normal Operation of Interconnection (check one):** Open ___ Closed **X**
6. **Balancing Authority Area Interchange Point (check one):** Yes ___ No **X**
7. **One-Line Diagram Attached (check one):** Yes **X** No ___
8. **Scope of Work and Description of Facilities to be installed:**

Generator Facility

One (1) plant, with three (3) generators totaling about 550 MW of generation in two 2x1 combined cycle configurations with three (3) 525/18.0 kV step-up transformers.

Scope of work – Generator’s responsibility

The plant shall consist of two (2) combustion turbines in a 2x1 configuration, two (2) HRSGs supplying steam to one (1) steam turbine, air-cooled condensers, and main power transformer and balance of plant equipment.

Generator Interconnection Facilities

Plant telemetering outputs, Plant communications, switchyard, control house, and protection relays.

Scope of work – Generator’s responsibility

Design, procurement and installation of Generator Interconnection Facilities described above.

Company Interconnection Facilities

- One 525 kV generator tie line, 3.13 miles from plant site to Harry Allen 500 kV Substation
- One line terminal Harry Allen 500 kV Substation
- Harry Allen 500 kV Substation and Communication to the APEX Generating Station,
- Harry Allen 500 kV Substation site development,
- Harry Allen 500 kV Line protection

Isolation air switches on the generator side of the 525 kV tie line, metering for unit output and station service loads, plant and substation RTUs, Harry Allen 500 kV substation and breakers, Harry Allen 500 kV substation communications, Harry Allen 500 kV line protection equipment. One 525 kV generator tie line 3.13 miles from plant site to Harry Allen 500 kV substation.

Scope of work – Company’s responsibility

One 525 kV generator tie line from plant to Harry Allen Substation, Harry Allen 500 kV Substation, Harry Allen 500 kV breakers, Harry Allen 500 kV line protection, isolation switch at ownership point, and other Harry Allen 500 kV substation equipment are Company’s responsibility

APPENDIX A

**FACILITY, INTERCONNECTION FACILITIES, SYSTEM UPGRADES
AND REGIONAL REQUIRED SYSTEM UPGRADES**

System Upgrades

Required System Upgrades

Company's determination of local breaker replacements based on the Short Circuit Working Group Fault Duty Analysis study, dated September 4, 2001 performed by Teshmont Consultants Inc. for Company and the Short Circuit Working Group. Generator's pro rata share shall be defined Ampere contribution for local fault duty mitigation.

Scope of work – Company's responsibility

Company's responsibility is procurement and replacement breakers identified in Revised Harry Allen System Impact Study work.

Optional System Upgrades

None

Scope of work - N/A

Interconnection Point

Harry Allen 500 kV bus interconnection.

Ownership Point

High side of Generator's step-up transformers at the breaker isolation air switch at Generator's Facility

Metering Point

Harry Allen 500 kV bus interconnection with metering grade PTs and CTs compensated to Interconnection Point.

APPENDIX A

**FACILITY, INTERCONNECTION FACILITIES, SYSTEM UPGRADES
AND REGIONAL REQUIRED SYSTEM UPGRADES**

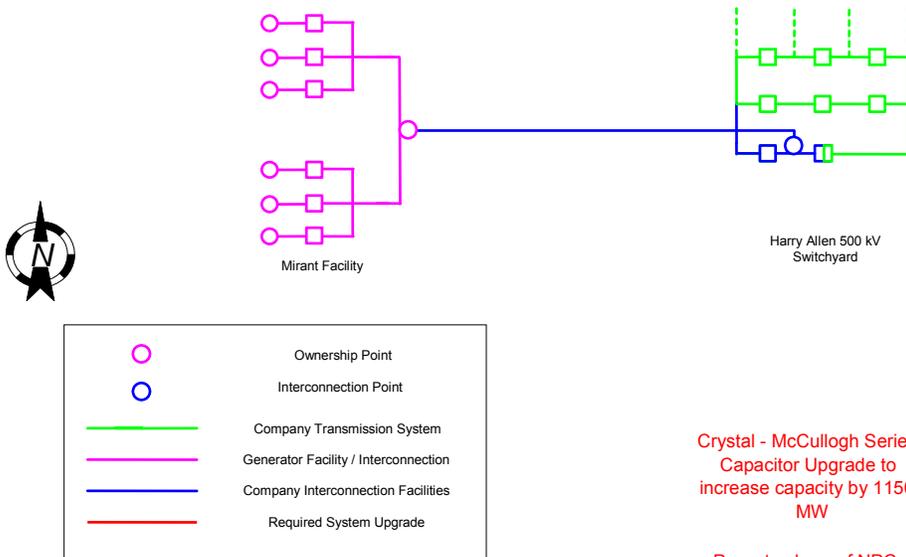
INTERCONNECTION LINE DESIGN PARAMETERS

1. A single radial 500kV circuit for the interconnection of up to 1200Mw of output from an Independent Power Producer does not show any WECC Reliability Criteria violations, per Company letter to Generator on August 27, 2001.
2. Structures will be self-supporting lattice steel towers or tubular steel poles as conditions dictate
3. Clearances will be based on a nominal voltage of 525kV plus a 5 percent over voltage;
4. Design should be based upon most stringent requirements of either 1997 or 2001 versions of NESC;
5. Each conductor will consist of a bundle of three 1590 kcmil ACSR Lapwing;
6. Design should provide sufficient room for live-line maintenance from the structure. At least 14 feet horizontal clearance from structure and 16 feet vertical clearance from conductor to support.
7. Design should accommodate live line maintenance by helicopter in the spans between structures;
8. Shield wires will be insulated and segmented and will provide a shielding angle at the structure of 20 degrees.
9. NESC Grade B light loading with an extreme wind condition of 25.6 psf with a 1.1 overload factor.
10. All conductor clearance to ground should be based on 212°F, final;
11. Minimum ground clearance shall comply with NESC 232C1c;
12. Right-of-Way width based on NESC, electric and magnetic field levels not to exceed any existing State Regulations, and RI not to exceed 45dB at the edge of the Right-of-Way;
13. Line Rating Criteria for ACSR Conductor at 100°C:
 - a. Ambient Air Temperature:..... 44.4°C;
 - b. Wind Speed:..... 4 feet per second;
 - c. Angle between Wind and Conductor: 45 degrees;
 - d. Elevation: To be determined;
 - e. Orientation: To be determined;
 - f. Latitude: 36 degrees;
 - g. Time: 4:00 P.M.;
 - h. Atmosphere:..... Clear;
 - i. Emissivity: 0.4;
 - j. Solar Absortivity:..... 0.5;

APPENDIX A

**FACILITY, INTERCONNECTION FACILITIES, SYSTEM UPGRADES
AND REGIONAL REQUIRED SYSTEM UPGRADES**

**Apex Generating Station and Operation Agreement
Facilities Diagram**



BJW
9-9-01

APPENDIX B

**METERING EQUIPMENT, PROTECTIVE EQUIPMENT
AND JOINT USE FACILITIES**

1. Metering Equipment Description:

Company Metering Equipment to be Installed:

Substation and Plant RTU(s) for Electric System Control Center (ESCC) telemetering and controls

ION 8400 meters

Dedicated CT's, Metering class accuracy

PT's

Separate Station Service and Generation metering using billing software to calculate the non-generation times and station service bills.

Generator Inputs/Outputs to be Provided:

Plant RTU(s) inputs and outputs for Company's Energy Management System (EMS) control system to interface with each unit.

- Generator MWH & MVARH (gross, station service, net), pulse and analog outputs
- Generator control status, controls, and limit set-points, if contract includes regulation
- Unit "cause of trip" indication, if available

Substation RTU inputs and outputs for Company's EMS control system

- Line MW, MVAR, 3 phase AMPS, kV
- Breaker and relay controls and status
- Alarm and annunciator status
- Miscellaneous points (air temp, humidity)

2. Protective Equipment Description:

Generator Equipment to be Installed:

To be determined by, provided by, and installed by generator

Company Equipment to be Installed:

Appropriate line & equipment protection relays and communications

e.g. SEL 351 for lines and other

SEL 501

SEL 279H

GE SBD

Communications All Dielectric Self-Supporting. (ADSS) "Track Resistant" from Alcoa Fujikura Ltd. (AFL) on transmission line

APPENDIX B

**METERING EQUIPMENT, PROTECTIVE EQUIPMENT
AND JOINT USE FACILITIES**

3. Joint-Use Facilities Description:

Generator Equipment to be Installed:

Communications for ESCC ring down to unit control room and supply plant RTU(s) inputs and output to interface termination connections.
Generator PT & CTs.

Company Equipment to be Installed:

Harry Allen 500 kV Substation.

APPENDIX C

PROJECT COST PROJECTIONS FOR MAINTENANCE AND OPERATION

1. Operation & Maintenance Costs

Company Interconnection Facilities

Estimate of the costs to operate and maintain Company's Interconnection Facilities over the next twelve months will be provided to Generator no more than once each year. FERC accepted accounting policies shall be used to determine actual costs to Generator.

ENGINEERING AND PROCUREMENT AGREEMENT

NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

ENGINEERING AND PROCUREMENT AGREEMENT

THIS ENGINEERING AND PROCUREMENT AGREEMENT (“E & P Agreement”) is made and entered into this 21 day of January, 2011, by and between Silver State Solar Power North, LLC, a limited liability company, organized and existing under the laws of the State of Delaware (“Interconnection Customer”) and Nevada Power Company d/b/a NV Energy, a company organized and existing under the laws of the State of Nevada (“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 planning to construct a 55 MW photovoltaic energy generating facility (“Project”); and

WHEREAS, Transmission Provider has an Open Access Transmission Tariff (“OATT”), which includes the Large Generator Interconnection Procedures (“LGIP”) and the associated *pro forma* Large Generator Interconnection Agreement (“LGIA”), on file with and made effective by the Federal Energy Regulatory Commission (“FERC”); and

WHEREAS, pursuant to the OATT, Interconnection Customer has requested generation interconnection service for the Project from Transmission Provider; and

WHEREAS, in order to advance the implementation of the interconnection, Interconnection Customer has requested, pursuant to the OATT, that Transmission Provider begin certain activities relative to the interconnection of the Project prior to the completion and execution of the LGIA specified in the OATT; and

WHEREAS, Section 9 of the LGIP provides that upon the request by the Interconnection Customer, Transmission Provider shall offer an Engineering and Procurement Agreement (“E & P Agreement”) that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection; and

WHEREAS, the LGIP provides that the E & P Agreement shall provide for the Interconnection Customer to initially pay the cost of all activities authorized by the Interconnection Customer and to make advance payments or provide other satisfactory security for such costs; and

WHEREAS, the Parties have agreed to the scope of the E & P Agreement to include certain activities directly related to the engineering and procurement services to be provided, and create an E & P Agreement relative to certain aspects of the interconnection of the Project to Transmission Provider’s transmission system; and

ENGINEERING AND PROCUREMENT AGREEMENT

NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

WHEREAS, the Parties wish to set forth their agreement with respect to such engineering and procurement related to the Network Upgrades necessary to connect the Project to the Transmission Provider's transmission system, and Interconnection Customer's payment thereof, subject to the terms of the LGIP and LGIA;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

AGREEMENT

1. Engineering and Procurement Services to be Provided. In accordance with the terms of this E & P Agreement and provided that Interconnection Customer (a) is not in Default under the terms of this E & P Agreement or (b) has not failed to comply with any prerequisites specified in the OATT, Transmission Provider shall commence or cause to have commenced (1) the Engineering Services as further described and defined herein and (2) the Procurement Services as further described and defined herein. For purposes of this E & P Agreement, the facilities involved will be located in Clark County, NV.

The terms included in this E & P Agreement shall mean:

"Transmission Provider's Interconnection Facilities" shall include all facilities and equipment, including all Metering Equipment, communications equipment and System Protection Facilities required to be installed as a result of the interconnection of the Project, that will be owned, controlled and operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified on Page 1 of 2 in Exhibit B hereto.

"Network Upgrades" shall mean all additions, modifications, and upgrades to Bighorn Substation facilities necessary to accommodate interconnection of the Project to the Transmission Provider's Transmission System other than Transmission Provider's Interconnection Facilities.

"Engineering Services" shall mean the services (and costs) set out in Exhibit A hereto reasonably necessary in order to design and engineer the Transmission Provider's Interconnection Facilities and the Network Upgrades at Bighorn Substation.

"Procurement Services" shall mean the services (and costs) set out in Exhibit A reasonably necessary in order to specify, obtain bids, place purchase orders and otherwise to procure materials and equipment in connection with the Transmission Provider's Interconnection Facilities and Network Upgrades at Bighorn Substation to accommodate interconnection of the Project to the Transmission Provider's Transmission System.

ENGINEERING AND PROCUREMENT AGREEMENT

NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

Unless otherwise defined herein, all terms used with initial capitalization shall have the meanings ascribed to such terms in the pro forma LGIA specified in the OATT. Interconnection Customer acknowledges that it has a copy of the OATT.

The Engineering Services and Procurement Services shall be collectively referred to herein as the "Services." All estimated costs advanced for the Services under this E & P Agreement will be true-up to actual costs and invoiced (or refunded) in accordance with the provisions of Section 5 below.

2. Performance Standards. Each Party shall perform all of the obligations imposed on it by this E & P Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such laws, regulations and standards, such Party shall not be deemed to be in breach of this E & P Agreement, provided however that to the extent either Party is not able to perform its obligations hereunder due to such laws, regulations or standards, it shall notify the other Party using Reasonable Efforts upon obtaining such knowledge, and if so directed by such other Party shall use its best efforts to mitigate any subsequent costs incurred hereunder, including, but not limited to, cancelling any then-outstanding orders for goods or services. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment. Notwithstanding anything in this E & P Agreement to the contrary, under no circumstances shall Transmission Provider be liable under the terms of this E & P Agreement for any delay in completion of the Services, it being the intention of the Parties that the remedy for any delay in performance shall be as set out in the LGIA which, as of the date of this E & P Agreement, has not yet been executed, provided however, that Transmission Provider shall use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates to perform its obligations hereunder in a timely fashion. Additionally, Transmission Provider will not commence or cause to be commenced any Services pursuant to this E & P Agreement until it has received the appropriate financial security as provided for in Section 3 below.

3. Provision of Financial Security. Prior to the commencement of Services by Transmission Provider, Interconnection Customer shall provide Transmission Provider, a cash deposit of \$1,021,200 (One million twenty-one thousand and two hundred dollars) (the "Deposit") for the estimated costs of

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the Services to be provided herein. Amounts on deposit shall be credited against the actual costs incurred by the Transmission Provider to perform the Services under this E & P Agreement.

4. Compensation. Subject to the terms of the LGIA and the LGIP, Interconnection Customer shall be required to pay for all actual costs and expenses reasonably incurred by Transmission Provider in connection with providing or causing to be provided the Services, such payment to be effected by crediting Interconnection Customer's deposit against such costs, as provided in Section 3. Such costs and expenses shall include, but not be limited to, all costs charged to Transmission Provider for the design, engineering, and procurement of materials required for Network Upgrades that are included in the Services, which costs shall include: all costs and expenses itemized in Exhibit A, including all actual contractor labor, material, equipment costs, and all lawfully chargeable taxes.

5. Billing and Payment. Transmission Provider shall provide Interconnection Customer an invoice to the address set out below for the estimates of amounts due for Services as set out in Exhibit A. Interconnection Customer shall make the Deposit within 5 days of execution of this E & P Agreement. The Deposit shall be made by wire transfer to the bank named and account designated by Transmission Provider. The Parties agree that any actual cost true-up invoice/refund may occur after the date that this E & P Agreement has been terminated or superseded by an LGIA between the Parties. Transmission Provider and Interconnection Customer agree to address any billing dispute in accordance with the provisions of Section 16. In no event shall Transmission Provider be obligated to provide, or cause to be provided, Services if Interconnection Customer fails to make any payment due hereunder.

Payments to Transmission Provider:

By Wire Transfer:

Wells Fargo Bank, NA
San Francisco, CA
ABA to be provided by Transmission Provider
Acct No. To be provided by Transmission Provider

Billings to Interconnection Customer:

By Wire Transfer:

Bank account to be provided by Interconnection Customer

6. Indemnity and Consequential Damages.

6.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party (and its Affiliates, their respective directors, officers, employees, agents) harmless from, any and all damages, losses, claims, including claims and actions relating to or death of any person (including

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employees) 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 other Party's action or inaction of its obligations under this E & P Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

It shall be a condition to a Party's obligation to indemnify pursuant to this Section that it be given written notice of the obligation and in the case of claims, demands or suits, an opportunity to defend, and the right to approve any settlement.

6.2 Consequential Damages. In no event shall either Party be liable under any provision of this E & P Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, loss of business reputation and opportunity, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special indirect, incidental, or consequential damages hereunder. The Parties hereby waive, release and discharge any and all claims for indirect, consequential, special, punitive and incidental damages and costs.

7. Superseding LGIA. Interconnection Customer has submitted a request for interconnection service, which is presently in Transmission Provider's generator interconnection Queue, and the Parties expect to enter into an LGIA for the Project. This E & P Agreement shall terminate and be superseded by the LGIA upon the effective date of the LGIA. Upon execution of the LGIA, (i) the Services shall be included in the obligations to be performed there under by Transmission Provider, (ii) the Deposit provided herein, which is applied to all of the Transmission Provider's costs as specified in Section 4 hereof and the LGIA shall be credited against amounts to be paid by Interconnection Customer under the LGIA, and (iii) the Services and Deposit shall be subject in all respects to the terms and conditions of the LGIA, including, but not limited to, the terms thereof governing repayment of amounts advanced by Interconnection Customer for Network Upgrades.

8. Regulatory Requirements and Governing Law.

8.1 Regulatory Requirements. Each Party's obligations under this E & P Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in 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 Reasonable Efforts to obtain

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such approvals. In the event that Transmission Provider does not receive a required approval or certificate from an applicable Governmental Authority, it shall notify Interconnection Customer using Reasonable Efforts.

8.2 Adverse Regulatory Action. If any Governmental Authority or regulatory agency should take any action that would require any change or impose any additional requirements or conditions that would adversely affect this E & P Agreement, or any related agreement, the Parties shall meet and confer in good faith within thirty (30) Calendar Days after such Governmental Authority or regulatory agency issues such order or decision. No Party shall have any obligation under this E & P Agreement to accept any changes, additional requirements or conditions to this E & P Agreement or any related agreement imposed or required by such Governmental Authority or regulatory agency. If either Party has not agreed to the changes or modifications imposed or required by such Governmental Authority or regulatory agency at the end of such thirty (30) Calendar Day period, either Party may terminate this E & P Agreement upon written notice to the other Party, subject to the respective obligations of the Parties as set forth in Sections 24.2 and 24.3 below.

8.3 Governing Law.

8.3.1 The validity, interpretation and performance of this E & P Agreement and each of its provisions shall be governed by the laws of the State of Nevada, without regard to its conflicts of law principles.

8.3.2 This E & P Agreement is subject to all Applicable Laws and Regulations.

8.3.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

9. Notices.

9.1 General. Unless otherwise provided in this E & P Agreement, 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 received by the Party at the addresses set out below:

Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy
 Attention: Director, Transmission Policy & Contracts
 Address: 6100 Neil Road or PO Box 10100
 City: Reno State: NV Zip: 89511
 Phone: 775-834-5877 Fax: 775-834-3047 E-Mail:
 TransmissionPolicy@nvenergy.com

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And a copy to:

Transmission Provider: Nevada Company d/b/a NV Energy
 Attention: Consultant
 Address: 6100 Neil Road or PO Box 10100
 City: Reno State: NV Zip: 89511
 Phone: 775-834-4802 Fax: 775-834-3047
 E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer:

Interconnection Customer: Silver State Solar Power North, LLC (First Solar)
 Attention: Michael Hatfield, Director, Development
 Address: 353 Sacramento St, Suite 2100
 City: San Francisco State: CA Zip: 94111
 Phone: 415-935-2500 Fax: 415-935-2501 E-Mail:
michael.hatfield@firstsolar.com

And a copy to:

Interconnection Customer: Silver State Solar Power North, LLC (First Solar)
 Attention: Tony Perrino, Project Director
 Address: 350 W Washington St, Suite 600
 City: Tempe State: AZ Zip: 85281
 Phone: 602-414-9300 Fax: 602-424-9400 E-Mail:
anthony.perrino@firstsolar.com

Either Party may change the notice information in this E & P Agreement by giving fifteen (15) Business Days written notice subsequent to the effective date of the change.

10. Force Majeure.

10.1 Economic hardship is not considered a Force Majeure event.

10.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. For purposes of this E & P Agreement, "Force Majeure" means any cause beyond the control of the Party affected, including, but not restricted to, failure or threat of failure of facilities, flood, earthquake, storm, fire, pestilence, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, subversion, acts of terror, or restraint by court order or public or regulatory authority and action or non-action by, or failure despite the exercise of due diligence, to obtain necessary authorizations or approvals from any Governmental Authority. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing as soon as reasonably possible after the occurrence of the cause relied upon. The Party affected shall exercise due diligence to remove such disability with

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reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

11. Default.

11.1 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 E & P Agreement 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 Section 11.2, the breaching Party shall have thirty (30) Calendar Days from receipt of such 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 notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

11.2 Right to Terminate. If a Breach is not cured as provided in Section 11.1, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this E & P Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this E & P Agreement, 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. In the event of a termination by the non-breaching Party, the Parties shall abide by the respective obligations of the Parties as set forth in Section 24.2 and 24.3. The provisions of this Section will survive termination of this E & P Agreement until such obligations are satisfied.

12. Assignment. This E & P Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this E & P Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this E & P Agreement; and provided further that Interconnection Customer shall have the right to assign this E & P Agreement, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Project, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any attempted assignment that violates this Section is void and ineffective. Any assignment under this E & P Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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13. Severability. If any provision in this E & P Agreement 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 E & P Agreement.

14. Information Access and Audit Rights.

14.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this E & P Agreement; and (ii) carry out its obligations and responsibilities under this E & P Agreement. The Parties shall not use such information for purposes other than those set forth in this Section and to enforce their rights under this E & P Agreement.

14.2 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 E & P Agreement 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 Section shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this E & P Agreement.

14.3 Audit Rights. Each Party shall have the right, during normal business hours, and upon thirty (30) Calendar Days advance 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 E & P Agreement. Any audit authorized by this Section 14.3 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 E & P Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described below.

14.4 Audit Rights Periods.

14.4.1 Audit Rights Period for Services-Related Accounts and Records.

Accounts and records related to the design, engineering and procurement of Network Upgrades shall be subject to audit within 60 days of termination of this agreement as provided for in Section 24.

14.5 Audit Results. If an audit by a Party determines that an overpayment or an

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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. Refunds for overpayments or payment of deficiencies shall be made by the owing Party, without interest, as soon as practicable, but in no event later than thirty (30) Calendar Days after resolution of the audit findings.

15. Subcontractors: Nothing in this E & P Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this E & P Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this E & P Agreement in providing such services.

16. Disputes.

16.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this E & P Agreement 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 sixty (60) 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 for arbitration and resolved in accordance with the external arbitration procedures set forth in Sections 12.2, 12.3, 12.4 and 12.5 of the Transmission Provider's OATT.

17. Representations, Warranties, and Covenants.

17.1 General. Each Party makes the following representations, warranties and covenants:

17.1.1 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 of Nevada; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this E & P Agreement 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 E & P Agreement.

17.1.2 Authority. Such Party has the right, power and authority to enter into this E & P Agreement, to become a Party hereto and to perform its obligations hereunder. This E & P Agreement 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

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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).

17.1.3 No Conflict. The execution, delivery and performance of this E & P Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

17.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this E & P Agreement 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 E & P Agreement, and it will provide to any Governmental Authority notice of any actions under this E & P Agreement that are required by Applicable Laws and Regulations.

18. Miscellaneous.

18.1 Binding Effect. This E & P Agreement 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.

18.2 Rules of Interpretation. This E & P Agreement, 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 E & P Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any contract, agreement (including this E & P Agreement), 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 there under; (5) unless expressly stated otherwise, reference to any Section means such Section of this E & P Agreement or such Exhibit to this E & P Agreement, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this E & P Agreement as a whole and not to any particular Section 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

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"to but excluding" and "through" means "through and including".

18.3 No Third Party Beneficiaries. This E & P Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

18.4 Waiver. The failure of a Party to this E & P Agreement to insist, on any occasion, upon strict performance of any provision of this E & P Agreement 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 E & P Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this E & P Agreement. Termination or Default of this E & P Agreement for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this E & P Agreement shall, if requested, be provided in writing.

18.5 Headings. The descriptive headings of the various Sections of this E & P Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this E & P Agreement.

18.6 Amendment. The Parties may by mutual agreement amend this E & P Agreement by a written instrument duly executed by the Parties.

18.7 Modification by the Parties. The Parties may by mutual agreement amend the Exhibits to this E & P Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this E & P Agreement upon satisfaction of all Applicable Laws and Regulations.

18.8 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this E & P Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations there under, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this E & P Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations there under; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this E & P Agreement shall limit the rights of the

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Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations there under, except to the extent that the Parties otherwise mutually agree as provided herein.

18.9 No Partnership. This E & P Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19. Risk of Loss. Until Transmission Provider takes possession and control of the improvements and facilities additions, pursuant to the terms of this E & P Agreement, or upon termination of this E & P Agreement, Interconnection Customer hereby assumes the risk of loss for the work and activities, including, without limitation, any equipment and materials, whether on or off the job site, and all work in progress. If any loss, damage, theft or destruction occurs to the equipment and materials for which Interconnection Customer has so assumed the risk of loss, Interconnection Customer shall, at its cost, promptly repair or replace such work and the property affected thereby.

20. Counterparts. This E & P Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Transmission Provider and Interconnection Customer may retain a duplicate copy (e.g., electronic imager, photocopy, facsimile) of this E & P Agreement, which shall be considered an equivalent to this original.

21. Entire Agreement. This E & P Agreement, including all appendices and schedules, represents the entire agreement and understanding between Transmission Provider and Interconnection Customer with respect to the subject matter hereof and performance of the Services hereunder, and supersede any prior understandings, representations or agreements, whether verbal or written, prior to execution of this E & P Agreement.

22. Agreement Authors. The Parties have agreed to this E & P Agreement and no ambiguity shall be construed against either Party based on the identity of the author or authors of this E & P Agreement.

23. Effective Date, Term and Termination.

23.1 Effective Date and Term. This E & P Agreement shall become effective upon execution and receipt of the Deposit and shall remain in effect until one of the following occurs: (i) notice that this Agreement is not accepted for filing by FERC; (ii) acceptance by FERC of the LGIA as filed, or if FERC conditions acceptance upon making a compliance filing upon terms that are

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acceptable to both parties, then upon acceptance by FERC of the compliance filing; (iii) notice of termination by Transmission Provider per Section 23.2; (iv) notice of termination by Interconnection Customer per section 23.3; or (v) on the effective day of the LGIA.

23.2 Termination by Transmission Provider. In the event the Parties do not execute an LGIA or file an unexecuted LGIA with FERC within a reasonable period of time after the effective date of this E & P Agreement, Transmission Provider may terminate this E & P Agreement upon thirty (30) Calendar Days written notice to Interconnection Customer. Any such termination shall be filed at FERC by Transmission Provider and shall be subject to acceptance for filing by FERC. For purposes of this Section 23.2 the term “reasonable period of time” shall mean the earlier of: (i) 150 days after issuance of the Facilities Study; or (ii) September 1, 2011. In the event of such termination by Transmission Provider, Transmission Provider shall use its Reasonable Efforts to mitigate any costs incurred hereunder subsequent to providing notice of termination to Interconnection Customer, including by cancelling any then outstanding orders for goods or services. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.. In such event, this E & P Agreement shall terminate, except with respect to: (a) Interconnection Customer’s obligation to pay all amounts due Transmission Provider for Services provided or caused to be provided on or prior to the termination date, including materials provided in conformity with this E & P Agreement, plus an amount for Transmission Provider’s verified and substantiated costs actually incurred in preparation for the Services not yet performed, and in demobilizing and stopping Services hereunder, including cancellation fees and costs incurred to cancel or terminate any purchase order or other contract for the delivery of goods or services prior to full performance under such purchase order or other contract, including but not limited to costs estimated in Table A-2; (b) Transmission Provider’s obligation to refund to Interconnection Customer any amounts advanced by Interconnection Customer in excess of the actual costs of Services provided on or prior to the termination date, including materials provided in conformity with this E & P Agreement, plus an amount for Transmission Provider’s verified and substantiated costs actually incurred in preparation for the Services not yet performed, and in demobilizing and stopping Services hereunder, including cancellation fees and costs incurred to cancel or terminate any purchase order or other contract for the delivery of goods or services prior to full performance under such purchase order or other contract, including but not limited to costs

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estimated in Table A-2; and (c) Transmission Provider's obligation to return or refund any unused portion of the Deposit.

23.3 Termination by Interconnection Customer. Interconnection Customer may terminate this E & P Agreement for any reason by providing thirty (30) Calendar Days written notice to Transmission Provider. Upon receipt of any such notice of termination from Interconnection Customer, Transmission Provider shall: (i) as required, file a notice of termination at FERC and (ii) use its Reasonable Efforts to mitigate any costs incurred hereunder, including by cancelling any then outstanding orders for goods or services. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment. Interconnection Customer shall use Reasonable Efforts to promptly notify the Transmission Provider of a termination and shall be solely responsible for all costs thereof. If Interconnection Customer terminates this E & P Agreement, or any portion of the Services being performed or caused to be performed hereunder, the applicable provisions of this E & P Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and/or refund obligations as set forth below. Interconnection Customer shall pay Transmission Provider for all Services provided prior to the date of termination, including for materials provided in conformity with this E & P Agreement, plus an amount for Transmission Provider's verified and substantiated costs actually incurred in preparation for the Services not yet performed, and in demobilizing and stopping Services hereunder, including cancellation fees and costs incurred to cancel or terminate any purchase order or other contract for the delivery of goods or services prior to full performance under such purchase order or other contract, such fees and costs estimated in Table A-2. In addition, Transmission Provider shall promptly refund to Interconnection Customer any amounts advanced by Interconnection Customer in excess of the actual costs of Services, materials, and fees for demobilizing, cancellation or termination of Services, purchase orders or other contracts, and any unused portion of the Deposit.

IN WITNESS WHEREOF, the Parties have executed this E & P Agreement as of the date first set forth above.

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Nevada Power Company d/b/a NV Energy

Name (printed): Mario Villar

Signature: _____

Title: Vice President, Transmission

Date: _____

Silver State Solar Power North, LLC

Name (printed): _____

Signature: _____

Title: _____

Date: _____

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Exhibit A

Scope of Work

The Parties hereby agree to the following Scope of Work:

I. Scope of Work

- a. Transmission Provider (TP) to provide engineering design services sufficient to define material and equipment specifications and procure new 230 kV breaker, A-frame, relay panels, dead end and switch structure, and other associated equipment to be located at NV Energy's (NVE) 230 kV Bighorn Substation.
- b. Transmission Provider (TP) to procure metering equipment and PT/CTs to be located at Generator's plant site.
- c. TP to initiate UEPA permitting for the Network Upgrade Facilities located inside of Bighorn Substation and Transmission Provider Interconnection Facilities consisting of the first span outside of Bighorn Substation and the corresponding dead end and switch structure.
- d. TP to provide project management services for activities listed herein.
- e. TP shall own all equipment purchased pursuant to this Section I.

II. Cost Allocations

a. Deposit:

- i. \$1,021,200 in cash in accordance with Sections 3 and 4 of this E & P Agreement.
- ii. In the event an LGIA is executed and the terms of the LGIA are satisfied, the Deposit will be credited towards funds required to be paid or advanced by Interconnection Customer under the LGIA, pursuant to the provisions of the LGIA, and allocated as defined in Table A-1, and any costs incurred by Transmission Provider in accordance with the terms hereof that are not paid for by application of the Deposit will be paid for or advanced, as applicable, by Interconnection Customer under the LGIA.

b. Cost Estimate Table A-1

III. CIAC Gross-Up:

A gross up on Contributions in Aid of Construction (CIAC) will be assessed unless the CIAC or the transfer of the intertie meets the safe harbor requirements of IRS Notice 2001-82 and IRS Notice 88-129. The CIAC gross up will be computed based on the rate in effect on the day of

ENGINEERING AND PROCUREMENT AGREEMENT

NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

collection of said gross up under the applicable agreement. CIAC will be secured at the time the facilities costs are secured per Attachment L of the Open Access Transmission Tariff.

Table A-1

E & P Estimate				
<i>(Until termination of E&P Agreement or Execution of Superseding LGIA)</i>				
Project Facilities	Cost Responsibilities	Cost Estimate	NU	TPIF
Structure, switch, meter , CT's and PT's, panels and associated Equipment	Transmission Provider Interconnection Facilities ("TPIF")	\$ 470,200		\$ 470,200
Order 230 KV Circuit Breaker, A-frame and other asspciated equipment for Bighorn Substation	Network Upgrade (NU)	\$ 461,000	\$ 461,000	
Project Permitting Assistance	Transmission Provider Interconnection Facilities ("TPIF")	\$ 50,000		\$ 50,000
Substation Labor	Network Upgrade	\$ 30,000	\$ 30,000	
Transmission Labor	Network Upgrade	\$ 10,000	\$ 10,000	\$ -
Total		\$ 1,021,200	\$ 501,000	\$ 520,200

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NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

Exhibit B**Interconnection Details****I. Point of Interconnection**

The Point of Interconnection will be at the NV Energy owned Bighorn 230 kV Substation. See Drawing B-1.

II. Point of Ownership

The Point of Ownership will be the point where the Interconnection Customer's 230 kV lead line terminates at the NV Energy owned switch structure set one-span outside of the NV Energy owned Bighorn Substation. See Drawing B-1.

III. Type of Service Requested

- a. Type of Interconnection Service: Network Resource
- b. Generating Facility Net Capacity: 55 MW
- c. Nominal Delivery Voltage: 230 kV
- d. Metering Voltage: 230 kV
- e. Drawing B-1: One-Line

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NV Energy and Silver State Solar Power North, LLC dated January, 21 2011

Drawing B-1

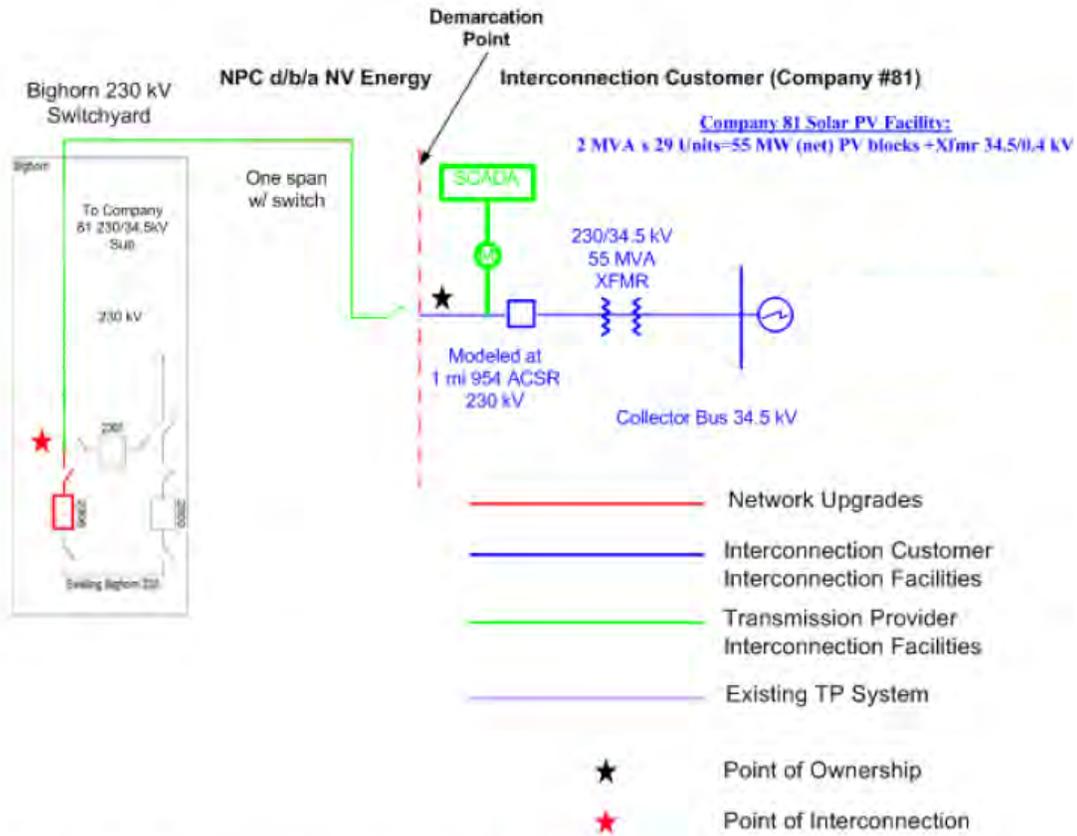


Figure D1: Proposed Simplified One-line Diagram of Company 81 Solar PV 55 MW Interconnection to Bighorn 230 kV Switchyard

AMENDED AND RESTATED
STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)
SERVICE AGREEMENT # 11-00135

Between

NEVADA POWER COMPANY d/b/a
NV ENERGY

And

FRV SPECTRUM SOLAR, LLC

Date _____

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- Appendix B: Milestones**
- Appendix C: Interconnection Details**
- Appendix D: Security Arrangement Details**
- Appendix E: Commercial Operation Date**
- Appendix F: Addresses for Delivery of Notices and Billings**
- Appendix G: Interconnection Requirements for a Wind Generating Plant**
- Appendix H: Reliability Management System Agreement (RMS)**

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this ___ day of May 2012, by and between FRV Spectrum Solar, LLC, a Delaware Limited Liability Company registered in the State of Nevada (“Interconnection Customer” with a Large Generating Facility), and Nevada Power Company d/b/a NV Energy, a company organized and existing under the laws of the State of Nevada (“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, on November 23, 2010, Interconnection Customer and Transmission Provider entered into a Large Generator Interconnection Agreement (LGIA) designated as Service Agreement No. #11-00135;

WHEREAS, on February 17, 2012 the Interconnection Customer requested that the Appendices of the Original LGIA be amended to reflect several design changes for the facility.

WHEREAS, the Parties have reached an agreement, covering the project design changes;

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, the Parties agree to amend and restate the LGIA, which is replaced and superseded in its entirety by this Amended and Restated Large Generator Interconnection Agreement, and in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider’s Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

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

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is

not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission,

department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider’s Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider’s Transmission System.

Interconnection Customer’s Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider’s Transmission System. Interconnection Customer’s Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider’s Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the

time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

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

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of thirty years from the Effective Date or such other longer period as Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed

or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

- 2.4.2** Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to

this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell

into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service. (✓)

- 4.1.2.1 The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.
- 4.1.2.2 Transmission Delivery Service Implications.** Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to

Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer

(or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

- 4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider,

Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

- 5.2 General Conditions Applicable to Option to Build.** If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,
- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
 - (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law and Applicable Reliability Standards to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
 - (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

- (4) Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) At any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) At any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because

of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

- 5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

- 5.5 Equipment Procurement.** If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:
- 5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
 - 5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
 - 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and

compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

- 5.9 Limited Operation.** If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ("ICIF").** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Transmission Provider's Review.** Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.
- 5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date,

unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider “as-built” drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer’s step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

- 5.11 Transmission Provider’s Interconnection Facilities Construction.** Transmission Provider’s Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following “as-built” drawings, information and documents for Transmission Provider’s Interconnection Facilities [include appropriate drawings and relay diagrams]. Transmission Provider will obtain control of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.
- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at no cost to the other Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner’s Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner,

Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

- 5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under

this Article 5.17) (the “Gross Income Amount”) over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the “Present Value Depreciation Amount”), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider’s composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the “Current Tax Rate”), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider’s anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer’s liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer’s request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer’s knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement

without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

- 5.17.8 Refund.** In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:
- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
 - (ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and
 - (iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax

related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

- 5.17.9 Taxes Other Than Income Taxes.** Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.
- 5.17.10 Transmission Owners Who Are Not Transmission Providers.** If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.
- 5.18 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.
- 5.19 Modification.**
- 5.19.1 General.** Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such

information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA, Applicable Reliability Standards and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing.

Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable

documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.
- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 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) and 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 Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large

Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use

Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive

compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission

Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration.

Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

- 9.7.3** **Under-Frequency and Over Frequency Conditions.** The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

- 9.7.4** **System Protection and Other Control Requirements.**

- 9.7.4.1** **System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Transmission Provider shall install at Interconnection Customer’s expense any System Protection Facilities that may be required on Transmission Provider’s Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

- 9.7.4.2** Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.
- 9.7.5 Requirements for Protection.** In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

- 9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.
- 9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control

Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced

for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date. If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems.

Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and

contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection

Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

- 13.3 Notice.** Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.
- 13.5 Transmission Provider Authority.**
- 13.5.1 General.** Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.
- Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from

one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as

the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party

shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal

defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

- 18.2 Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:
- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
 - 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad

form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years

after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

- 19.1 Assignment.** This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify

Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

Transmission Provider may perform study work using WECC data (power flow, stability, and disturbance monitoring data) for nonmembers provided that the WECC data are not provided to the nonmember. Under such arrangements the nonmembers are permitted to look at the data in the Transmission Provider's office to gain an understanding of the study results, but are not permitted to have the data or a copy of the data. Interconnection Customer must also sign the WECC Nonmember Confidentiality Agreement in accordance with regional Reliability Council policies.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless

such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 22.1.11** Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its

obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including

manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings,

protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either Party’s performance or either Party’s satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party’s costs, calculation of invoiced amounts, Transmission Provider’s efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider’s efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party’s actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party’s performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 25.4 Audit Rights Periods.**
- 25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider’s Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months

following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute").

Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.
- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint

Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the

singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

- 30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.
- 30.8 Multiple Counterparts.** This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.
- 30.11 Reservation of Rights.** Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Sierra Pacific Power Company d/b/a NV Energy

By: _____
Mario Villar

Title: Vice President, Transmission

Date: _____

FRV Spectrum Solar, LLC

By: _____

Title: _ _____

Date: _____

Appendix A to LGIA

Interconnection Facilities, Transmission Provider Interconnection Facilities and Network Upgrades

FRV SPECTRUM SOLAR, LLC – Generating Facility Capacity 30 MW net at 1.0 pf -PV Point of Interconnection:

The Point of Ownership shall be at the existing Pabco Substation. See Drawing A-1 in Appendix C.

Point of Change of Ownership:

The Point of Interconnection shall be where the Interconnection Customer's 69kV generator lead line intersects at the air break switch and dead end structure located at the Pabco Substation entrance. See Drawing A-1 in Appendix C.

Interconnection Facilities:

1. **Interconnection Facilities: - Interconnection Customer's Interconnection Facilities (ICIF):**
 - a. One (1) 69/34.5kV 25/33.3 MVA step-up transformer located at Interconnection Customer's (IC) Site.
 - b. One (1) 69kV breaker located at the IC's Site.
 - c. IC to install 48 TMIEC 630 kW PV inverters.
 - d. IC to design and build approximately one (1) mile of 69kV transmission line modeled at 954 ACSR to a new dead end switch structure located at approximately 36.220751degrees north, 114.890036 degrees west, about 15 feet from the Pabco Substation:
 - i. Line to include OPGW or equivalent for a redundant communications path.
 - ii. IC to design generator lead line such that the maximum tension the design tension at NESC Light Initial is not greater than 6000 lbs. per phase.
 - iii. Line to be built in accordance with Good Utility Practices.
 - iv. Coordination of the crossing of the Carey-Pabco line to be coordinated through the NVE Lands/Right of Way Management process.
 - e. IC to acquire all local, state, federal land and environmental permits license, grants, approvals, and/or authorizations required in order to build and operate the Generating Facility to be constructed on the real property described below (or the facilities themselves as set forth below, as applicable). IC shall coordinate its efforts to obtain any such permits with the Transmission Provider (TP). IC to provide drafts for review and approval to TP prior to submittal to agencies.
 - i. Permits necessary/required for the construction of the new 69kV transmission line (approximately 1 mile) inclusive of switch and dead end structure adjacent to the Pabco Substation.
 - f. Grant of Easements (GOE's) for TPIF facilities/equipment will be signed and returned to NVE for approval and acceptance before energization
 - g. Arrange for and design primary substation service power.
 - h. Generating Facility protection relays at the IC Substation.

- i. 69kV line protection relays must be compatible with two SEL-311L line differential relays that TP will install at Pabco Substation.
- j. 69kV line protection for generator lead line between Pabco Substation to the IC's Site
- k. Generating Facility Communication at IC plant– T-1 line (or equivalent) to accommodate:
 - i. One 4-wire voice grade data line to new RTU at Generation facility to TP's Energy System Control Center (ESCC) that is specifically dedicated for TP's use
 - ii. One dial up line for meter.
 - iii. If the above telecommunication circuits are via copper circuits, then Ground Protection Rise (GPR) isolation is expected and is the responsibility of IC, per applicable industry standards
- l. Interconnection Customer to provide phone number and contact person for its control room to NVE Electric System Control Center for 24 hour manned access.
- m. IC Control Building Requirements:
 - IC shall provide a suitable area in the control room at the Generator's Facility where TP will install up to two (2) 26" racks for communications.
 - Working space of three feet to be provided on all sides of the racks.
 - IC to provide a separate wall space for the metering cabinet and equipment.
 - Metering Enclosure (30" x 30" x 16") to be supplied by TP and installed by IC at approved location inside TP dedicated room in the IC Control Building per TP specifications. IC shall pick-up meter cabinet from TP warehouse upon notification from TP.
 - IC to provide separate exterior entrance to TP for this area.
 - Space for TP's equipment in the control room to be isolated and secured for TP access only.
- n. Other Metering/Communications Requirements:
 - IC to provide two (2) DC and two (2) AC load center breakers dedicated for TP communications use (20 amp minimum) delivered to TP's racks.
 - IC to provide a 125 V DC dedicated circuit to the meter.
 - IC to provide meter structure set on foundation with conduits/pullboxes from the structure to the control room to be installed by IC per TP's specification. TP shall mount and wire CTs and PTs (specified and supplied by TP).
 - IC to provide connection from TP telecommunication equipment to control room metering cabinet. One conduit for 2-wire MODBUS RS-485 and analog phone line, the second conduit for 125 V DC.
 - IC will provide dial up telephone line to meter cabinet.
- o. Details of Generating Facility Communication Requirements are located in Attachment 3 to the SGIA.

2. Transmission Provider's Interconnection Facilities (TPIF):

In accordance with Article 5.1.1 and if applicable 5.1.3, Transmission Provider shall construct the Transmission Provider's Interconnection Facilities

- a. Coordinate with IC for all necessary permitting associated with the line tap, access roads and the IC's Site.
- b. Design, procure and install 69kV transmission getaway from new breaker at Pabco Substation to the proposed dead end structure located adjacent to the Pabco Substation including 69kV switch structure.
- c. Protection Coordination at IC's Site and the breaker at the Pabco Substation.
- d. Install one (1) ION revenue quality meter compensated to Point of Interconnection.
- e. TP will provide empty metering cabinet to the Interconnection Customer (IC) for IC's pick up and installation. TP will wire cabinet and install meter inside of cabinet.
- f. Procure and install the Meter Class Potential Transformer's and Current Transformer's for the new meter to be located at the IC's Site.
- g. Install one (1) RTU at the IC's Site.
- h. Install Multiplexer on T-1 at the IC's Site.
- i. Procure and install miscellaneous Communication cables and link equipment

3. Network Upgrades:

- a. Network Upgrades
 - i. Design, procure and build a terminal and breaker located at the Pabco Substation.
 - ii. Upgrade the Pabco-Carey 69kV line.

4. Stand Alone Network Upgrades:

- a. None

5. Distribution Upgrades:

- a. None

6. Ownership:

Upon completion of construction, the Parties shall have ownership of the facilities as follows:

- a. Interconnection Customer's Interconnection Facilities shall be owned by the Interconnection Customer.
- b. Transmission Provider's Interconnection Facilities shall be owned by the Transmission Provider.
- c. Stand Alone Network Upgrades shall be owned by the Transmission Provider.
- d. Other Network Upgrades shall be owned by the Transmission Provider.
- e. Distribution Upgrades shall be owned by the Transmission Provider.

7. Affected System Upgrades:

Affected System Upgrades – The following Affected System Upgrades have been determined to be needed in order to mitigate disturbances on and maintain the reliability of Affected Systems directly or indirectly interconnected to the Transmission System.

- a. None

8. Operation and Maintenance Responsibilities:

Each Party’s responsibilities for operation and maintenance of the Interconnection Facilities, Network Upgrades and Distribution Upgrades shall be:

Upon completion of construction, the Parties shall have responsibilities for operation and maintenance of the facilities as follows:

- a. Interconnection Customer’s Interconnection Facilities shall be operated and maintained by Interconnection Customer.
- b. Transmission Providers’ Interconnection Facilities shall be operated and maintained by Transmission Provider and paid for by Interconnection Customer.
- c. Stand Alone Network Upgrades shall be operated and maintained by Transmission Provider.
- d. Other Network Upgrades shall be operated and maintained by Transmission Provider.
- e. Distribution Upgrades shall be operated and maintained by Transmission Provider.

9. Cost Estimates & Responsibilities:

- a. Interconnection Customer’s Interconnection Facilities: Interconnection Customer.

- b. Transmission Provider’s Interconnection Facilities (TPIF): **\$575,000 - Interconnection Customer.**

• 69kV Dead End Structure and Switch	\$250,000
• Pabco Substation Communications Modifications	\$130,000
• IC Site Metering	\$130,000
• IC Generator Site Communications	\$ 40,000
• Re-study	\$ 5,000
• Lands	<u>\$ 20,000</u>
TOTAL (TPIF)	<u>\$575,000</u>

Total Estimated Cost to Interconnection Customer: \$575,000

All Costs will be tried to actual after the completion of the Project and these estimates do not include any tax gross-up.

- c. Stand Alone Network Upgrades: - Interconnection Customer

d. Network Upgrades (NU): - **\$485,000** – Interconnection Customer shall provide security/collateral pursuant to Article 11.5 of the LGIA and Attachment L of the Open Access Tariff.

• Terminal and Breaker at Pabco Substation	\$450,000
• Upgrade Carey-Pabco 69kV Line	<u>\$ 35,000</u>
TOTAL (NU)	\$485,000

e. Other Network Upgrades: Interconnection Customer.

f. Distribution Upgrades: - Interconnection Customer

g. Affected System Upgrades: - Interconnection Customer

Appendix B to LGIA

Milestones

In Service Date: 12/28/2012

FRV Spectrum Solar Project Milestones	
Generator Interconnection Facilities ("IC or Generator")	Date
<u>1</u> IC to pursue all necessary permits	upon execution
<u>2</u> Initiate application for telecom service	upon execution
<u>3</u> IC & TP to setup regular project meeting schedule	upon execution
<u>4</u> Cash - \$100,000 due to TP	upon execution
<u>5</u> Project Initiation and Confirmation Mtg. (TP and IC)	complete
<u>6</u> Security Deposit for Network Upgrade \$ 485,000	complete
<u>7</u> Cash - \$ 435,000 due to TP	complete
<u>8</u> Provide Transformer specification data to TP	complete
<u>9</u> Control Room Preliminary Dimension Design provided to TP	complete
<u>10</u> Provide One-line with Scheme Descriptions and Relay Settings to TP	complete
<u>11</u> Initial coordination meeting for protection, control, telemetry telecom and metering	5/15/2012
<u>12</u> Cash - \$ 40,000 due to TP	5/15/2012
<u>13</u> Finalize Telemetry Points Worksheet	6/15/2012
<u>14</u> Complete access roads to FRV Spectrum Solar	8/1/2012
<u>15</u> Provide Transformer testing data to TP	10/5/2012
<u>16</u> All conduits with pull strings installed and available for TP use	11/1/2012
<u>17</u> Primary substation service power complete at control room	11/1/2012
<u>18</u> Provide energized AC and DC load centers dedicated for TP use	11/1/2012
<u>19</u> Control Room construction complete with cable trays and conduits and TP to have full access	11/1/2012
<u>20</u> Provide T-1 line from Generator Control Room ESCC	11/1/2012
<u>21</u> Provide dial up line for meter	11/1/2012
<u>22</u> Generator Facility protection relays complete	11/1/2012
<u>23</u> IC to provide 24 hour access number to TP	11/1/2012
<u>24</u> Provide TP operation plan for generator start up	11/1/2012
<u>25</u> IC to complete Interconnection Customer Interconnection Facilities inclusive of the installation of 69 kV breaker, transformer and generator lead line.	11/1/2012
<u>26</u> Meter Structure complete inclusive of PT/CT installation	11/1/2012
<u>27</u> Provide 125 Volt DC to meter socket	11/1/2012
<u>28</u> IC to provide signed Access to Equipment Agreement to TP	11/15/2012
<u>29</u> IC to initiate generator pre-energization meeting (meeting must be held at least 1 week prior to energization)	12/19/2012
<u>30</u> In-Service Date	12/28/2012
<u>31</u> Finalize Operating Procedures provided by TP	12/28/2012
<u>32</u> Generator Testing Start Date- Provide notice to TP	12/29/2012
<u>33</u> Facility Trip Testing - Provide notice to TP	12/29/2012
<u>34</u> Commercial Operation Date - Provide notice to TP	12/30/2012

In Service Date: 12/28/2012

Transmission Provider Interconnection Facilities ("TP")	
	<p>Not earlier than 12/28/2012 provided that all necessary approvals by Governmental Authorities are received, Interconnection Customer's required facilities are constructed, tested and ready for service per IC milestones above, and the IC has provided required securities and notices to the TP per IC milestones above. (*)</p>
Transmission Provider Interconnection Facilities Completed	

*TP's obligations are dependent on Full Access to plant site. All Milestones are triggered by the TP having Full Access. The term Full Access means the TP's ability to access (physical or electronic) the IC's plant site, including Right of Way Grants, Special Use Permits and approvals required by all Governmental Authorities for lawful access, using normal commercial means. Delay in providing Full Access will initiate the need for new Milestone dates, and a delay in the In-Service Date subject the TP's scheduling availability.

**Appendix C to LGIA
Interconnection Details**

FRV SPECTRUM SOLAR, LLC - Generating Facility Capacity 30 MW net at 1.0 pf -PV

Company 72, 89

Type of Interconnection Service: Network Resource Interconnection Service

Point of Interconnection:

The Point of Ownership shall be at the existing Pabco Substation. See Drawing A-1.

Point of Change of Ownership:

The Point of Interconnection shall be where the Interconnection Customer's 69kV generator lead line intersects at the air break switch and dead end structure located at the Pabco Substation entrance. See Drawing A-1.

Nominal Delivery Voltage: 69 kV

Metering Voltage: 69 kV

Drawing A-1

Information, Communications and Protection Requirements:1. Communication Requirements – Generating facility telemetry:

- a. Generating Facility telemetry outputs:
 - i. Generator Plant total MW, MVar, B-phase amps, B-phase volts (L-G referred to L-L) and accumulated MWhr in and out. Fiber will be required if the distance between the meter and the Transmission Provider's RTU exceeds 1500 feet.
- b. Hard wired open closed indication for 69 kV breaker.
- c. Generator breaker status open/closed indication hard wired.
- d. Tripped/Reset indication of all GSU and line protection lockouts – totalized such that there is one indication per facility.
- e. Load Tap Changer (LTC) indication tap position and manual on/off indication (if GSU equipped with LTC).
- f. Note - RTU at plant to which outputs will be delivered is to be designated as the Master RTU. The Interconnection Customer will supply an interface that will allow the Transmission Provider's RTU to be the Master (polling) device.
- g. When a transmission system event occurs that results in either a correct or incorrect operation of the IC's protection system interconnection relays and one or more relay event reports are recorded by those relays, IC shall provide electronic copies of all pertinent relay event reports and/or sequence of events (SOE) reports to TP within 24 hours of request by TP
- h. Condition signal indicating status of percentage of plant output availability to ESCC Control Room on a continuous basis.
- i. IC to provide SCADA capability to transmit real time data output from the weather measurement equipment of the solar PV plant (Global and Diffuse Solar Radiance, Ambient Temperature and Wind Speed). Data collection shall be provided by customer from each individual (if more than one) weather station. Customer shall provide data using NV Energy accepted protocol or hardwired directly to NV Energy's RTU.
- j. IC to provide forecasted hourly solar plant energy production data consistent with the WECC defined operational planning requirements, and in accordance with the WECC pre-schedule and real-time scheduling and tagging calendar. For the operating day, provide hourly forecast for the next eight-hour period, and update each hour between the hours of 0500 – 2100. Such forecasts shall be based on numerical weather prediction (NWP) models. Customer shall provide data using NV Energy accepted protocol directly to NV Energy.
- k. IC to provide any environmental data that may impact the percentage of plant output availability (i.e. low temperature, high wind and/or trip settings).

2. Generating Facility control points – NV Energy will require the following control points:

- a. Trip control of transformer main 69 kV breaker.

3. Checklist of items that must be completed prior to proceeding with any startup and synchronization for IC's plant:

- a. Review by NV Energy for coordination purposes of IC's protection settings.
- b. IC must perform both calibration and functional trip tests of its System Protection Facilities and report results back to NVE.
- c. Complete communications required.
- d. SCADA indications at plant substation must be operational with full NVE ESCC access.
- e. Adequate voice communication at IC substation (cell or land line at substation).
- f. NVE to trip-test IC's main interrupting device(s) from the RTU control point.
- g. IC to acknowledge in writing that all plant systems are adequately protected and have been tested.
- h. IC and NVE to have energization process meeting 1 week prior to energization event.

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. ____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

Transmission Provider: Nevada Power Company d/b/a NV Energy
Attention: Director, Transmission Policy & Contracts
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: 775-834-5877 Fax: 775-834-3047
E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer:

Interconnection Customer: FRV Spectrum Solar, LLC
Attention: Lisanne Shumway, IC Program Manager
Address: 1515 Wazee Street, Suite 380
City: Denver State: CO Zip: 80202
Phone: 720-445-7830 Fax: 720-445-7930
E-mail: lshumway@sunedison.com

Billings and Payments:

Billings and payments shall be sent to the addresses set out below:

Transmission Provider

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Director, Transmission Policy & Contracts
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: 775-834-5877 Fax: 775-834-3047
E-Mail: TransmissionServices@nvenergy.com

Interconnection Customer:

Interconnection Customer: FRV Spectrum Solar, LLC
Attention: Accounts Payable
Address: 12500 Baltimore Avenue
City: Beltsville, State: MD Zip: 20705
Phone: 443-909-7200 Fax: 240-264-8260
E-mail: ap@sunedison.com

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

Transmission Provider:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Consultant, Transmission Policy and Strategy
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: 775-834-4803 Fax: 775-834-3047
E-Mail: TransmissionPolicy@nvenergy.com

Interconnection Customer:

Interconnection Customer: FRV Spectrum Solar, LLC
Attention: Lianne Shumway, IC Program Manager
Address: 1515 Wazee Street, Suite 380
City: Denver State: CO Zip: 80202
Phone: 720-445-7830 Fax: 720-445-7930
E-mail: lshumway@sunedison.com

Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Transmission Provider's Operating Representative:

Transmission Provider: Sierra Pacific Power d/b/a NV Energy
Attention: Director, Electric System Control Operations
Address: 6100 Neil Road
City: Reno State: NV Zip: 89511
Phone: 775-834-5874 Fax: 775-834-3047
E-Mail: ESCCOperations@nvenergy.com

Interconnection Customer:

Attention: ROC Alerts (Jason Hooper)
Address: 600 Clipper Drive
City: Belmont State: CA Zip: 94002
Phone: 1-888-786-3347 Fax: 650-453-5400
E-mail: rocalerts@sunedison.com, jhooper@sunedison.com

Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Appendix G to LGIA

Interconnection Requirements For A Wind Generating Plant

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant 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 606 (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 H to LGIA

Reliability Management System

1. Definitions:

- 1.1 **Member:** Any party to the WECC Agreement.
- 1.2 **Reliability Management System or RMS:** The contractual reliability management program implemented through the WECC Reliability Criteria Agreement, Section 2 of this Appendix G, and any similar contractual arrangement.
- 1.3 **Western Interconnection:** The area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WECC operate synchronously connected transmission systems.
- 1.4 **WECC:** The Western Electricity Coordinating Council or any successor entity.
- 1.5 **WECC Agreement:** The Western Electricity Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.
- 1.6 **WECC Reliability Criteria Agreement:** The Western Electricity Coordinating Council Reliability Criteria Agreement among the WECC and certain of its member Transmission Providers, as such may be amended from time to time.
- 1.7 **WECC Staff:** Those employees of the WECC, including personnel hired by the WECC on a contract basis, designated as responsible for the administration of the RMS.

2. Terms and Conditions

- 2.1 **Purpose.** In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Interconnection Customer and Transmission Provider shall be required to comply.
- 2.2 **Compliance.** Interconnection Customer shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Appendix G as though set forth

fully herein, and Interconnection Customer shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

- 2.3 Payment and Sanctions.** Interconnection Customer shall be responsible for reimbursing Transmission Provider for any monetary sanctions assessed against Transmission Provider due to the action or inaction of Interconnection Customer, by WECC pursuant to the WECC Reliability Criteria Agreement. Interconnection Customer also shall be responsible for payment of any monetary sanction assessed against Interconnection Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.
- 2.4 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Appendix G, Interconnection Customer shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of Interconnection Customer with respect to this Appendix G or to enter into an agreement with Transmission Provider imposing on the acquiring party or transferee the same obligations applicable to Interconnection Customer pursuant to this Appendix G.
- 2.5 Publication.** Interconnection Customer consents to the release by the WECC of information related to Interconnection Customer's compliance with this Appendix G only in accordance with the WECC Reliability Criteria Agreement.
- 2.6 Third Parties.** Except for the rights and obligations between the WECC and Interconnection Customer specified in this Appendix G, this Appendix G creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Appendix G), or (b) any duty or standard of care whatsoever. In addition, nothing in this Appendix G shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Appendix G, of the WECC against Interconnection Customer, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Appendix G. Transmission Provider and Interconnection Customer expressly intend that the WECC is a third-party beneficiary to this Appendix G, and the WECC shall have the right to seek to enforce against Interconnection Customer any provision of this Appendix G, provided that specific performance shall be the sole remedy

available to the WECC pursuant to this Appendix G, and

Interconnection Customer shall not be liable to the WECC pursuant to this Appendix G for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

2.7 Reserved Rights. Nothing in the RMS or the WECC Reliability Criteria Agreement shall affect the right of Transmission Provider, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, that Transmission Provider may otherwise be entitled to take.

2.8 Severability. If one or more provisions of this Appendix G shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.

2.9 Termination. Interconnection Customer may terminate its obligations pursuant to this Appendix G:

- (a) If after the effective date of this Appendix G, the requirements of the WECC Reliability Criteria Agreement applicable to Interconnection Customer are amended so as to adversely affect Interconnection Customer, provided that Interconnection Customer gives fifteen (15) Calendar Days' notice of such termination to Transmission Provider and WECC within forty-five (45) Calendar Days of the date of issuance of a Commission order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by Interconnection Customer for an additional forty-five (45) Calendar days if Interconnection Customer gives written notice to Transmission Provider of such requested extension within the initial forty-five (45) day period; or
- (b) For any reason on one year's written notice to Transmission Provider and the WECC.

2.10 Mutual Agreement. This Appendix G may be terminated at any time by mutual agreement of Transmission Provider and Interconnection Customer.

APPENDIX 7 to LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**CITY OF LAS VEGAS
(End Use Customer)**

DATED: June 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the City of Las Vegas (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) has been submitted on the City’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End-Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.

A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

Manager, NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

City of Las Vegas
Attention: Engineering Project Manager
6005 E. Vegas Valley Dr.
Las Vegas, NV 89142

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.

End-Use Customer - the City:

City of Las Vegas

APPROVED AS TO FORM:

By: _____
Carolyn G. Goodman
Mayor, City of Las Vegas

By: _____
Deputy City Attorney

Date: _____

Date: _____

ATTEST:

By: _____
Beverly K. Bridge, MMC, City Clerk

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the City of Las Vegas (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.

- 2.0 Term of Network Service: Ten years
Requested Start Date: June 1, 2013

Termination Date: May 31, 2023

- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
 - (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the City’s full Network Load requirements (plus losses).
 - (b) Such rights will become effective on the date that the Network Customer commences taking service under this Agreement and will continue in effect until terminated pursuant to Section 2 of the Specification of the Agreement, or until retail access distribution service is terminated pursuant to the Transmission Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first.

If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO's congestion management system and assigned to the End-Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.

- (c) Rights: The import rights to the Uncongested Grid released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator, the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

- (1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
WRF Solar	3 MW	3 MW

- (2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	5 MW

- (3) End Use Customer’s Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

- (4) Total Network Resources: (1)+(2)+(3) 8 MW

5.0 Transmission Load:

- (1) End-Use Customer’s Network Load: End-Use Customer’s Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer’s estimated non-coincident peak load at Point(s) of Delivery is 8 MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
Please see Attachment 1	Various	100%

Total Network Load (Without Losses) = 8 MW

- 6.0 Designation of party subject to reciprocal service obligation: The Scheduling Coordinator, Network Customer, End Use Customer or any affiliates of these parties.

- 7.0 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.)

- (1) Monthly Demand Charge - Zone B per Attachment H of the Tariff.
- (2) Facilities Study Charge: All study work has been completed for this Transmission Customer’s request.
- (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.

- (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
- (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
 - (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
 - (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
 - (d) Energy Imbalance Service: Zone B per Schedule 4 of the Tariff.
 - (e) Operating Reserve - Spinning Reserve Service: Zone B per Schedule 5 of the Tariff.
 - (f) Operating Reserve - Supplemental Reserve Service: Zone B per Schedule 6 of the Tariff.
 - (g) Loss Compensation Service: Zone B per Schedule 10 of the Tariff.
 - (h) Distribution Loss Factor: Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.
- (5) Redispatch Charges: Pursuant to the Tariff.
- (6) Power Factor Requirements: This will be billed for under the applicable Distribution Only Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer - the City:

APPROVED AS TO FORM:

By: _____
Carolyn G. Goodman
Mayor, City of Las Vegas

Deputy City Attorney

Date: _____

Date: _____

ATTEST:

By: _____
 Beverly K. Bridge, MMC, City Clerk

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
 Jayne Harkins, P.E.
 Executive Director

 Ann C. Pongracz
 Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
 Mario Villar
 Vice President, Transmission

Date: _____

**Attachment 1 to Transmission Service Agreement No. 13-00014
 Account Detail For
 City of Las Vegas (End-Use Customer) and
 CRC (Network Customer)**

Facility Name	Facility Address	Premise Number	Rate Class	Primary Voltage	Secondary Voltage
WPCF: Plants 3&4	6005 E. Vegas Valley	1427682	LGS-3-S	12.5 kV	480 V

	Dr., Las Vegas, NV 89142				
WPCF: Plants 1&2, Chemical Building	6005 E. Vegas Valley Dr., Las Vegas, NV 89142	1056210	LGS-2-S	12.5 kV	480 V
WPCF: Nitrification/Filtration	6005 E. Vegas Valley Dr., Las Vegas, NV 89142	1518600	LGS-3-S	12.5 kV	480 V
DHWRC: Durango Hills Facility	3271 N. Durango, Las Vegas, NV 89129	1816348	LGS-3-P	12.5 kV	4160 V
WPCF: Nitrification/Filtration	6005 E. Vegas Valley Dr.	1518597	LGS-3-S	12.5 kV	480 V
WPCF: Dewatering	6005 E. Vegas Valley Dr.	1427683	LGS-2-S	12.5 kV	480 V
WPCF; Nitrification/Filtration	6005 E. Vegas Valley Dr.	1518598	LGS-3-S	12.5 kV	480 V
WPCF; Nitrification/Filtration	6005 E. Vegas Valley Dr.	1518599	LGS-3-S	12.5 kV	480 V
WPCF; Headworks	6005 E. Vegas Valley Dr.	1869292	LGS-1	12.5 kV	480 V
WPCF; Solar	6211 E. Vegas Valley Dr.	2264400	GS	12.5 kV	120 V

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**CITY OF HENDERSON
(End Use Customer)**

DATED: June 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the City of Henderson (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff ("Tariff") has been submitted on the City’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End–Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.

A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

Manager, NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

City of Henderson
Attention: Director of Utility Services
P.O. Box 95050 MS 124
Henderson, NV 89009-5050

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.

End-Use Customer – City of Henderson:

ATTEST:

By: _____
Dennis B. Porter, P.E.
Director of Utility Services

Sabrina Mercadante, MMC
City Clerk

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO AMOUNT:

Josh M. Reid
City Attorney

Richard A. Derrick
Finance Director

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the City of Henderson (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.

- 2.0 Term of Network Service: Ten years
Requested Start Date: June 1, 2013

Termination Date: May 31, 2023

- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
 - (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the City’s full Network Load requirements (plus losses).

 - (b) Such rights will become effective on the date that the Network Customer commences taking service under this Agreement and will continue in effect until terminated pursuant to Section 2 of the Specification of the Agreement, or until retail access distribution service is terminated pursuant to the Transmission Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first. If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO’s congestion management system and assigned to the End-Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.

 - (c) End-Use Customer Rights: The import rights to the Uncongested Grid

released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator, the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

(1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
--------	---------------------	--

(2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	10 MW

(3) End Use Customer's Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

(4) Total Network Resources: (1)+(2)+(3) 10 MW

5.0 Transmission Load:

(1) End-Use Customer's Network Load: End-Use Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer's estimated non-coincident peak load at Point(s) of Delivery is 10 MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
Please see Attachment 1	Various	100%

Total Network Load (Without Losses) = 10 MW

- 6.0 Designation of party subject to reciprocal service obligation: The Scheduling Coordinator, Network Customer, End Use Customer or any affiliates of these parties.
- 7.0 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.)
- (1) Monthly Demand Charge - Zone B per Attachment H of the Tariff.
 - (2) Facilities Study Charge: All study work has been completed for this Transmission Customer's request.
 - (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.
 - (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
 - (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
 - (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
 - (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
 - (d) Energy Imbalance Service: Zone B per Schedule 4 of the Tariff.
 - (e) Operating Reserve - Spinning Reserve Service: Zone B per Schedule 5 of the Tariff.

- (f) Operating Reserve - Supplemental Reserve Service:
Zone B per Schedule 6 of the Tariff.
 - (g) Loss Compensation Service:
Zone B per Schedule 10 of the Tariff.
 - (h) Distribution Loss Factor:
Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.
- (5) Redispatch Charges: Pursuant to the Tariff.
- (6) Power Factor Requirements: This will be billed for under the applicable Distribution Only Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer – City of Henderson:

ATTEST:

By: _____
 Dennis B. Porter, P.E.
 Director of Utility Services

 Sabrina Mercadante, MMC
 City Clerk

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO AMOUNT:

 Josh M. Reid
 City Attorney

 Richard A. Derrick
 Finance Director

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
 Jayne Harkins, P.E.

 Ann C. Pongracz

Executive Director

Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____

Mario Villar
Vice President, Transmission

Date: _____

**Attachment 1 to Transmission Service Agreement No. 13-00017
Account Detail For
City of Henderson (End-Use Customer) and
CRC (Network Customer)**

Facility Name	Facility Address	Premise Number	Rate Class	Primary Voltage	Secondary Voltage
WTP	414 S. Water St. PP01, Henderson NV	1529524	LGS-2S	12.5 kV	480 V
WTP	414 S. Water St. PP02, Henderson, NV	1529533	LGS-2S	12.5 kV	480 V
P19A	11398 S. Eastern Ave. B, Henderson, NV	1769118	LGS-2S	12.5 kV	480 V
P19A	11398 S. Eastern Ave. A, Henderson, NV	1767595	LGS-2S	12.5 kV	480 V
WRF	450 E. Galleria Dr., Henderson, NV	1948716	LGS-3T	69 kV	12.47 kV
WRF	450 E. Galleria Dr., Henderson, NV	1948717	LGS-3T	69 kV	12.47 kV
P17	2100 Benji Dr. PP, Henderson, NV	1548491	LGS-1S	12.5 kV	480 V

SWRF	2610 St. Rose Pkwy. A Henderson, NV	2245263	LGS-3P	12.5 kV	480 V
SWRF	2610 St. Rose Pkwy. B Henderson, NV	2245264	LGS-3P	12.5 kV	480 V

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**CITY OF NORTH LAS VEGAS
(End Use Customer)**

DATED: September 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the City of North Las Vegas (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) has been submitted on the City’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End-Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.
- A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

Manager, NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

City of North Las Vegas
Attention: Utilities Director
2250 Las Vegas Blvd., N., Suite 250
North Las Vegas, NV 89030

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:

End-Use Customer - the City:

APPROVED AS TO FORM:

By: _____
Shari L. Buck
Mayor, City of N. Las Vegas

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 This Service Agreement, dated as of _____ June 20, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer), and the City of North Las Vegas (“the City” or “End-Use Customer”) for the City’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the City, the End-Use Customer. The City is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.

2.0 Term of Network Service:
Requested Start Date: September 1, 2013

Termination Date: May 31, 2023

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):

- (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the City’s full Network Load requirements (plus losses).
- (b) Such rights will become effective on the date that the Network Customer commences taking service Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first. If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO's congestion management system and assigned to the End-Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.
- (c) End-Use Customer Rights: The import rights to the Uncongested Grid released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator,

the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

(1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
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(2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	4 MW

(3) End Use Customer's Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

(4) Total Network Resources: (1)+(2)+(3) 4 MW

5.0 Transmission Load:

(1) End-Use Customer's Network Load: End-Use Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer's estimated non-coincident peak load at Point(s) of Delivery is 4 MW.

- (2) Facilities Study Charge: All study work has been completed for this Transmission Customer's request.
- (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.
- (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
 - (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
 - (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
 - (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
 - (d) Energy Imbalance Service: Zone B per Schedule 4 of the Tariff.
 - (e) Operating Reserve - Spinning Reserve Service: Zone B per Schedule 5 of the Tariff.
 - (f) Operating Reserve - Supplemental Reserve Service: Zone B per Schedule 6 of the Tariff.
 - (g) Loss Compensation Service: Zone B per Schedule 10 of the Tariff.
 - (h) Distribution Loss Factor: Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.
- (5) Redispatch Charges: Pursuant to the Tariff.
- (6) Power Factor Requirements: This will be billed for under the applicable Distribution Only Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer - the City:

APPROVED AS TO FORM:

By: _____
Shari L. Buck
Mayor, City of N. Las Vegas

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

**City of North Las Vegas (End-Use Customer) and
CRC (Network Customer)**

Facility Name	Facility Address	Premise Number	Rate Class	Primary Voltage	Secondary Voltage
WRF	2580 N. Betty Lane Unit CG-A	2240322 2272058	LGS-3P	12kV	480kV

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**CLARK COUNTY WATER RECLAMATION DISTRICT
(End Use Customer)**

DATED: June 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Clark County Water Reclamation District (“District” or “End-Use Customer”) for the District’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the District, the End-Use Customer. The District is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) has been submitted on the District’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End-Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.

A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

Manager, NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

Clark County Water Reclamation District
Attention: General Manager
5857 E. Flamingo Road
Las Vegas, NV 89122

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.

End-Use Customer – Clark County Water Reclamation District:

By: _____
Thomas A. Minwegen
General Manager

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO AMOUNT:

Carolyn Campbell
Deputy District Attorney

Bridgette McInally
Financial Services Manager

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Clark County Water Reclamation District (“the District” or “End-Use Customer”) for the District’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the District, the End-Use Customer. The District is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.

- 2.0 Term of Network Service: Ten years
Requested Start Date: June 1, 2013

Termination Date: May 31, 2023

- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
 - (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the District’s full Network Load requirements (plus losses).

 - (b) Such rights will become effective on the date that the Network Customer commences taking service under this Agreement and will continue in effect until terminated pursuant to Section 2 of the Specification of the Agreement, or until retail access distribution service is terminated pursuant to the Transmission Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first. If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO's congestion management system and assigned to the End-Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.

- (c) Rights: The import rights to the Uncongested Grid released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator, the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

- (1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
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- (2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	13 MW

- (3) End Use Customer's Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

- (4) Total Network Resources: (1)+(2)+(3) 13 MW

5.0 Transmission Load:

- (1) End-Use Customer's Network Load: End-Use Customer's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer's estimated non-coincident peak load at Point(s) of Delivery is 13 MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
Please see Attachment 1	Various	100%

Total Network Load (Without Losses) = 13 MW

- 6.0 Designation of party subject to reciprocal service obligation: The Scheduling Coordinator, Network Customer, End Use Customer or any affiliates of these parties.
- 7.0 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.)
- (1) Monthly Demand Charge - Zone B per Attachment H of the Tariff.
- (2) Facilities Study Charge: All study work has been completed for this Transmission Customer's request.
- (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.
- (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
- (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
- (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
- (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
- (d) Energy Imbalance Service: Zone B per Schedule 4 of the Tariff.

- (e) Operating Reserve - Spinning Reserve Service:
Zone B per Schedule 5 of the Tariff.
 - (f) Operating Reserve - Supplemental Reserve Service:
Zone B per Schedule 6 of the Tariff.
 - (g) Loss Compensation Service:
Zone B per Schedule 10 of the Tariff.
 - (h) Distribution Loss Factor:
Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.
- (5) Redispatch Charges: Pursuant to the Tariff.
- (6) Power Factor Requirements: This will be billed for under the applicable Distribution Only Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer – Clark County Water Reclamation District:

By: _____
Thomas A. Minwegen
General Manager

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO AMOUNT:

Carolyn Campbell
Deputy District Attorney

Bridgette McInally
Financial Services Manager

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.

Ann C. Pongracz

Executive Director

Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____

Mario Villar
Vice President, Transmission

Date: _____

**Attachment 1 to Transmission Service Agreement No. 13-00019
Account Detail For
Clark County Water Reclamation District (End-Use Customer) and
CRC (Network Customer)**

Facility Name	Facility Address	Premise Number	Rate Class	Primary Voltage	Secondary Voltage
Central Plant Surge Pond Substation	5857 E. Flamingo Rd. Las Vegas, NV 89122	2247150	LGS-3T	69 kV	12.47 kV
Central Plant Rochelle Substation	5857 E. Flamingo Rd. Las Vegas, NV 89122	2248502	LGS-3T	69 kV	12.47 kV
AWT Substation	4060 Hollywood Las Vegas, NV 89122	2248001	LGS-3T	69 kV	12.47 kV

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**SOUTHERN NEVADA WATER AUTHORITY
(End Use Customer)**

DATED: June 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Southern Nevada Water Authority (“Authority” or “End-Use Customer”) for the Authority’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the Authority, the End-Use Customer. The Authority is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) has been submitted on the Authority’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End-Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.

A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

Manager, NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

Southern Nevada Water Authority
Attention: Director, Energy Management
P.O. Box 99956, MS 115
Las Vegas, NV 89193

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.

End-Use Customer – Southern Nevada Water Authority:

APPROVED AS TO FORM:

By: _____
Patricia Mulroy
General Manager

Gregory J. Walch
General Counsel

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____

Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Southern Nevada Water Authority (“the Authority” or “End-Use Customer”) for the Authority’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the Authority, the End-Use Customer. The Authority is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 Term of Network Service: Ten years
Requested Start Date: June 1, 2013

Termination Date: May 31, 2023
- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
- (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the Authority’s full Network Load requirements (plus losses).
 - (b) Such rights will become effective on the date that the Network Customer commences taking service under this Agreement and will continue in effect until terminated pursuant to Section 2 of the Specification of the Agreement, or until retail access distribution service is terminated pursuant to the Transmission Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first.

If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO's congestion management system and assigned to the End-

Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.

- (c) Rights: The import rights to the Uncongested Grid released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator, the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

- (1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
Sloan (Small Hydro)	0.9 MW	0.9 MW
Linden (Small Hydro)	0.5 MW	0.5 MW
Horizon Ridge (Small Hydro)	0.6 MW	0.6 MW

- (2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	28 MW

- (3) End Use Customer's Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

- (4) Total Network Resources: (1)+(2)+(3) 30 MW

5.0 Transmission Load:

- (1) End-Use Customer’s Network Load: End-Use Customer’s Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer’s estimated non-coincident peak load at Point(s) of Delivery is 30 MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
Please see Attachment 1	Various	100%

Total Network Load (Without Losses) = 30 MW

- 6.0 Designation of party subject to reciprocal service obligation: The Scheduling Coordinator, Network Customer, End Use Customer or any affiliates of these parties.
- 7.0 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.)
- (1) Monthly Demand Charge - Zone B per Attachment H of the Tariff.
 - (2) Facilities Study Charge: All study work has been completed for this Transmission Customer’s request.
 - (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.
 - (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
 - (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
 - (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
 - (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
 - (d) Energy Imbalance Service: Zone B per Schedule 4 of the Tariff.

- (e) Operating Reserve - Spinning Reserve Service:
Zone B per Schedule 5 of the Tariff.
 - (f) Operating Reserve - Supplemental Reserve Service:
Zone B per Schedule 6 of the Tariff.
 - (g) Loss Compensation Service:
Zone B per Schedule 10 of the Tariff.
 - (h) Distribution Loss Factor:
Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.
- (5) Redispatch Charges: Pursuant to the Tariff.
- (6) Power Factor Requirements: This will be billed for under the applicable Distribution Only Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer – Southern Nevada Water Authority:

APPROVED AS TO FORM:

By: _____
Patricia Mulroy
General Manager

Gregory J. Walch
General Counsel

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____

Mario Villar
Vice President, Transmission

Date: _____

**Attachment 1 to Transmission Service Agreement No. 13-00020
Account Detail For
Southern Nevada Water Authority (End-Use Customer) and
CRC (Network Customer)**

Facility Name	Facility Address	Premise Number
Pumping Plant #4	1 Sir Phillip St.	1651279
Pumping Plant #5	900 Judi Ln.	1651281
Simmons Plant A	2420 Simmons St.	1647254
Simmons Plant B	2420 Simmons St.	1647247
Pumping Plant #6	6690 Bonanza	1651275
Pumping Plant #3	830 Major Ave. #1	1651283
Hacienda	4100 E. Hacienda	1651284
Twin Lakes Pumping Plant	2125 Simmons St.	1231052
Lamb Pumping Station #1	4285 Elkhorn	1768922
Lamb Pumping Station #2	4285 Elkhorn	1769011
Sloan Pumping Station #1	590 No. Sloan Ln.	1782727
Sloan Pumping Station	590 No. Sloan Ln.	1782730
Decatur PPA1	8390 N. Decatur Rd.	1979234
Sloan Hydro-Turbine	590 No. Sloan Ln.	1782727
Horizon Ridge Hydro-Turbine	2393 W. Horizon Ridge	1739788
Linden Hydro-Turbine	590 No. Sloan Ln.	1782730
Decatur PPA2	8390 N. Decatur Rd.	2169842

SERVICE AGREEMENT FOR NETWORK INTEGRATION

TRANSMISSION SERVICE

RETAIL ACCESS TRANSMISSION SERVICE

BETWEEN

**NEVADA POWER COMPANY d/b/a NV ENERGY
(Transmission Provider)**

AND

**COLORADO RIVER COMMISSION of NEVADA
(Network Customer)**

AND

**LAS VEGAS VALLEY WATER DISTRICT
(End Use Customer)**

DATED: June 1, 2013

**Service Agreement For Network Integration Transmission Service
Retail Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Las Vegas Valley Water District (“District” or “End-Use Customer”) for the District’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the District, the End-Use Customer. The District is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.
- 2.0 The Transmission Provider has determined that a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) has been submitted on the District’s behalf.
- 3.0 The Network Customer is taking service under Sections III and IV of the Tariff, Retail Access Transmission Service, as an agent for the End-Use Customer. The Transmission Provider has not required the Network Customer to post a security deposit pursuant to Section 36.6 because the End Use Customer is a local government and has an Approved Credit Rating.
- 4.0 Service under this agreement shall commence on the later of (1) Requested Service Date as indicated in the Specification for Network Integration Transmission Service, Section 2, or (2) the date on which construction of any Direct Assignment Facilities are completed, or (3) Network Upgrades are completed, (or in the alternative, a Temporary Release of Capacity, as set forth in the Specifications for Network Integration Transmission Service, if applicable), or (4) such other date as it is permitted to become effective by the Commission or (5) the date the End-Use Customer has satisfied all applicable state regulatory requirements associated with Nevada’s Retail Open Access Program.

A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on May 31, 2023.
- 5.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement, and the Network Operating Agreement as they may be amended from time to time.
- 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:

NV Energy
Attention: Director, Transmission Policy & Contracts
P.O. Box 10100 M/S S3B40
Reno, NV 89520-0024

Network Customer:

Colorado River Commission of Nevada
Attention: Manager, Energy Services
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101

End-Use Customer:

Las Vegas Valley Water District
Attention: Director, Operations
1001 S. Valley View Blvd. MS 1160
Las Vegas, NV 89153

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.

End-Use Customer – Las Vegas Valley Water District:

APPROVED AS TO FORM:

By: _____
Patricia Mulroy
General Manager

Gregory J. Walch
General Counsel

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____
Mario Villar
Vice President, Transmission

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 This Service Agreement, dated as of _____, 2013, is entered into, by and between Nevada Power Company d/b/a NV Energy (“Transmission Provider”), the Colorado River Commission of Nevada (“CRC” or “Network Customer”), and the Las Vegas Valley Water District (“the District” or “End-Use Customer”) for the District’s full Network Load (plus losses). Network Integration Transmission Service has been applied for on behalf of the District, the End-Use Customer. The District is an Eligible Customer as defined by Section 1.14 of the Tariff, pursuant to a Retail Open Access Program under which the Transmission Provider is required to offer unbundled retail transmission service.

- 2.0 Term of Network Service: Ten years
Requested Start Date: June 1, 2013

Termination Date: May 31, 2023

- 3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):
 - (a) The Network Customer shall have the right to schedule deliveries of its Network Resources on a firm basis (subject to system reliability and operating nomograms as posted on OASIS) during all time periods through the Mead 230 kV Point of Receipt for the District’s full Network Load requirements (plus losses).

 - (b) Such rights will become effective on the date that the Network Customer commences taking service under this Agreement and will continue in effect until terminated pursuant to Section 2 of the Specification of the Agreement, or until retail access distribution service is terminated pursuant to the Transmission Provider’s state-jurisdictional retail tariffs, or until a Regional Transmission Organization (“RTO”) in which the Transmission Provider is a participant is operational, whichever event occurs first. If the Transmission Provider participates in an RTO which is not operational or is operational but does not have a congestion management system, then the rights granted by the Transmission Provider will continue until such time as the RTO has a congestion management system. On the congestion management system date the import rights granted by the Transmission Provider to the End-Use Customer shall not revert back to the Native Load energy provider unless the End-Use Customer elects to take its energy service from the Native Load energy provider. Instead, if the Transmission Provider participates in a RTO, such rights shall be converted into rights under the RTO’s congestion management system and assigned to the End-Use Customer to the same extent the rights of other pre-existing Network Customers under this Tariff are assigned by the RTO.

- (c) Rights: The import rights to the Uncongested Grid released under this Agreement are granted to the End-Use Customer upon whose behalf the Network Customer is obtaining transmission service and will remain with the End-Use Customer. If the End-Use Customer chooses a new Scheduling Coordinator, the transmission rights will be transferred to the new Scheduling Coordinator on behalf of the End-Use Customer. If the End-Use Customer elects to return to bundled retail electric service, the rights granted by the Transmission Provider will revert back to the Native Load.

4.0 Network Resources

- (1) Network Customer Generation Owned:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
Luce Solar	0.4 MW	0.4 MW
Ronzone Solar	0.6 MW	0.6 MW
Spring Mtn/Durango Solar	0.4 MW	0.4 MW
Grand Canyon Solar	0.3 MW	0.3 MW
Ft. Apache Solar	0.3 MW	0.3 MW
Springs Preserve Solar	0.4 MW	0.4 MW

- (2) Network Customer Generation Purchased:

Source	Total Capacity (MW)	Capacity Designation as Network Resource
NVEnergy Silverhawk Exchange	125 MW	58 MW

- (3) End Use Customer's Generation Internal to the Control Area but external to the Uncongested Grid per Section 38A of the OATT.

Source	Total Capacity (MW)	Capacity Designation as Network Resource
N/A	0	0

- (4) Total Network Resources: (1)+(2)+(3) 60 MW

5.0 Transmission Load:

- (1) End-Use Customer’s Network Load: End-Use Customer’s Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. End-Use Customer’s estimated non-coincident peak load at Point(s) of Delivery is 60 MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
Please see Attachment 1	Various	100%

Total Network Load (Without Losses) = 60 MW

- 6.0 Designation of party subject to reciprocal service obligation: The Scheduling Coordinator, Network Customer, End Use Customer or any affiliates of these parties.
- 7.0 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.)
- (1) Monthly Demand Charge - Zone B per Attachment H of the Tariff.
 - (2) Facilities Study Charge: All study work has been completed for this Transmission Customer’s request.
 - (3) Direct Assignment Facilities Charge: Including but not limited to, real time metering and communications costs and other costs yet to be determined, if any.
 - (4) Ancillary Services: Ancillary Services (other than Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control Service) may be self-provided as provided in the Tariff.
 - (a) Scheduling System, Control and Dispatch Service: Zone B per Schedule 1 of the Tariff.
 - (b) Reactive Supply and Voltage Control from Generation Service: Zone B per Schedule 2 of the Tariff.
 - (c) Regulation and Frequency Response Service: Zone B per Schedule 3 of the Tariff.
 - (d) Energy Imbalance Service:

Zone B per Schedule 4 of the Tariff.

- (e) Operating Reserve - Spinning Reserve Service:
Zone B per Schedule 5 of the Tariff.
- (f) Operating Reserve - Supplemental Reserve Service:
Zone B per Schedule 6 of the Tariff.
- (g) Loss Compensation Service:
Zone B per Schedule 10 of the Tariff.
- (h) Distribution Loss Factor:
Zone B per Attachment K-1 of the Tariff for the appropriate Point of Delivery voltage.

(5) Redispatch Charges: Pursuant to the Tariff.

(6) Power Factor Requirements: This will be billed for under the applicable Distribution Only

Service Tariff for each Point of Delivery and is not included herein.

End-Use Customer – Las Vegas Valley Water District:

APPROVED AS TO FORM:

By: _____
Patricia Mulroy
General Manager

Gregory J. Walch
General Counsel

Date: _____

Date: _____

Network Customer - CRC:

APPROVED AS TO FORM:

By: _____
Jayne Harkins, P.E.
Executive Director

Ann C. Pongracz
Deputy Attorney General

Date: _____

Date: _____

Transmission Provider:

By: _____

Mario Villar
Vice President, Transmission

Date: _____

**Attachment 1 to Transmission Service Agreement No. 13-00021
Account Detail For
Las Vegas Valley Water District (End-Use Customer) and
CRC (Network Customer)**

Facility Name	Facility Address	Premise Number	Rate Class	Primary Voltage	Secondary Voltage
Warm Springs PS	5590 West Warm Springs Rd.	1647710	LGSWPP	12.5 kV	4160
Montessouri PS	7000 West Warm Springs Rd.	1647711	LGSWPP	12.5 kV	4160
Campbell PS	4095 East Flamingo Rd.	1231086	LGSWPP	69 kV	4160
Carlton Square PS	3300 North Clayton St.	1640912	LGSWPP	12.5 kV	4160
Broadbent PS	4800 West Oakey Blvd PP	1231030	LGSWPS	12.5 kV	4160
Fayle PS (North Meter)	4925 Industrial Road A	1572249	LGSWPS	12.5 kV	480
Fayle PS (South Meter)	4925 Industrial Road	1231116	LGSWPS	12.5 kV	480
Grand Canyon PS (E. Meter)	3315 Grand Canyon Dr. Unit B	1611569	LGSWPS	12.5 kV	4160
Grand Canyon PS (W. Meter)	315 Grand Canyon Dr.	1516309	LGSWPS	12.5 kV	4160
Luce PS	7725 Smoke Ranch Rd.	1419802	LGSWPS	12.5 kV	480
Spring Mountain/Duango PS (West)	8815 Spring Mountain Rd. Unit PP01	1701883	LGSWPP	12.5 kV	4160
Spring Mountain/Durango PS (East)	8815 Spring Mountain Rd. Unit PP02	1707568	LGSWPP	12.5 kV	4160
Fort Apache PS	300 Fort Apache Rd. Unit A	1597322	LGSWPS	12.5 kV	480

Ronzone W. 077/085	6415 W. Lake Mead Blvd.	1451857	LGSWPS	12.5 kV	4160
Alta Sub-LVVWD	3700 Alta Dr. PP PP	1927550	LGSP	12.5 kV	4160
Alta Sub-Springs Preserve	3700 Alta Dr. PP PP1	1933559	LGSP	12.5 kV	4160
Luce 2538 zone	2305 N. Buffalo Dr.	1615284	LGSWPS	12.5 kV	480