

Arizona Nuclear Power Project High Voltage Switchyard

LARGE GENERATOR

INTERCONNECTION PROCEDURES (LGIP)

Large Generator

Interconnection Procedures (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

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Appendix 1 – Interconnection Request for a Large Generating Facility

Appendix 2 – Interconnection Feasibility Study Agreement

Appendix 3 – Interconnection System Impact Study Agreement

Appendix 4 – Interconnection Facilities Study Agreement

Appendix 5 – Optional Interconnection Study Agreement

Appendix 6 – Large Generator Interconnection Agreement

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 JPP 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 JPP 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, presently the Western Electricity Coordinating Council, or its successor.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Balancing Authority of the Transmission System to which the Generating Facility is directly interconnected.

Arizona Nuclear Power Project (ANPP) shall mean the three nuclear steam generating units, together with all facilities and structures used of, to be used therewith or related to, as described in Appendix A to the ANPP Participation Agreement, as amended or supplemented from time to time. ANPP is also sometimes referred to herein as the Palo Verde Nuclear Generating Station or "PVNGS."

Arizona Nuclear Power Project High Voltage Switchyard shall mean those facilities constructed and owned by the ANPP Joint Participants, consisting generally of a breaker-and-a-half scheme comprising the termination facilities for the interconnections between and among said switchyard, the ANPP and other transmission facilities, all as are more particularly described in Appendix A to the ANPP Participation Agreement.

Arizona Nuclear Power Project Participation Agreement shall refer to that agreement so titled, executed August 23, 1973 as amended and supplemented from time to time.

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Operating Agent or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Critical Energy Infrastructure (CEII) shall have the same meaning provided in 18 C.F.R. § 388.113(c)(1) and shall also include any written, electronic, printed or other materials (including photo copies, data storage devices, transfer data recovery mechanisms or other storage and filing systems) that contain any information which may be described as non-public transmission information including, without limitation, the following: maps, charts, and diagrams, including location, longitude and latitude for any electric systems; electric studies including flow studies, models, base cases and system planning; and any CEII or other materials which contain CEII which has been conspicuously marked by the Disclosing Party as “PROTECTED MATERIALS” or “CONFIDENTIAL INFORMATION” on each page of the relevant materials.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean any Joint Participant’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 any Joint Participant’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC as appropriate.

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 Joint Participant or Operating Agent, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to any Joint Participant's Transmission System, the JPP Interconnection Facilities or the electric systems of others to which the JPP is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Large Generator Interconnection Agreement to possess black start capability.

Engineering & Operating Committee (E&O Committee) shall mean the committee that has the authority to approve an Interconnection Request for the JPP in accordance with the JPP governing agreements.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Operating Agent 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, including staff, 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, Joint Participants, Operating Agent, 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 JPP Interconnection Facilities to obtain back feed power.

Interconnection shall mean the electric transmission network for the western system of the North American electric grid.

Interconnection Customer shall mean any entity that proposes to interconnect its Generating Facility with the JPP.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the JPP. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the JPP 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 JPP. 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 Interconnection Customer, Joint Participant, Operating Agent or a third party consultant to determine a list of facilities (including JPP 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 JPP. The scope of the study is defined in Section 8 of the Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the JPP, the scope of which is described in Section 6 of the Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures, 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 JPP.

Interconnection Service shall mean the service provided by the JPP associated with interconnecting the Interconnection Customer's Generating Facility to the JPP and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement. Interconnection Service does not convey transmission service.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the JPP 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, and potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Joint Participants to coordinate operating and technical considerations of Interconnection Service.

Joint Participant Project (JPP) shall mean the ANPP High Voltage Switchyard.

Joint Participant Project Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the JPP from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. JPP Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Joint Participant(s) shall mean the owners of the JPP, individually or as a group of any one or more, pursuant to the ANPP Participation Agreement, as amended from time to time. The phrases “Joint Participant”, “Joint Participants”, or “Joint Participant(s)” shall always include the owner designated as the entity responsible for managing operations, which for purposes herein is referred to as “Operating Agent.”

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

Large Generator Interconnection Agreement (LGIA) shall mean the ANPP Large Generator Interconnection Agreement.

Large Generator Interconnection Procedures (LGIP) shall mean the ANPP Large Generator Interconnection Procedures.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Corporation or its successor organization.

Network Upgrades shall mean the additions, modifications, and upgrades to the JPP or a Joint Participant's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the JPP to accommodate the interconnection of the Large Generating Facility to the JPP.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Large Generator Interconnection Agreement or its performance.

Open Access Same-Time Information System (OASIS) shall mean the information system posted on the internet as maintained by transmission providers in accordance with FERC regulations as appropriate.

Operating Agent(s) shall mean the Joint Participant(s) designated by the Joint Participants to be responsible for operating work and capital improvements for the JPP.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Palo Verde Nuclear Generating Station shall mean the Arizona Nuclear Power Project and may be used herein as an alternative name for such.

Party or Parties shall mean Joint Participants, including the Operating Agent, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the JPP Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the JPP.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established for the JPP based upon the date and time of receipt of the valid Interconnection Request by the Operating Agent.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer, Operating Agent and other Joint Participants 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 JPP during their construction. Both the Joint Participants and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the JPP 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 JPP or on other delivery systems or other generating systems to which the JPP is directly connected.

Transmission System shall mean the facilities owned, controlled or operated by any entity(ies) that are used to provide transmission service.

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.

Section 2. Scope and Application

2.1 Application of Large Generator Interconnection Procedures

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability

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

2.3 Base Case Data

Operating Agent 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.

Operating Agent 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 JPP for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1 General

An Interconnection Customer shall submit to Operating Agent an Interconnection Request in the form of Appendix 1 to this LGIP and a deposit of \$250,000, of which \$25,000 shall be non-refundable. Operating Agent shall apply the entire deposit toward administrative and study costs associated with the Interconnection Request. Interconnection Customer shall submit a separate Interconnection Request for each site and may

submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Operating Agent 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 Feasibility Study Agreement.

3.2 Valid Interconnection Request

3.2.1 Initiating an Interconnection Request

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$250,000 deposit, of which \$25,000 shall be non-refundable, in accordance with Section 3.1, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward all administrative and study work associated with the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.2.3 after submitting its Interconnection Request, the additional deposit for Site Control shall be refundable; otherwise, the additional deposit for Site Control shall become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period not to exceed seven years from the date the Interconnection Request is received by Operating Agent, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Operating Agent by a period up to ten years, or longer where Interconnection Customer

and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.2.2 Acknowledgment of Interconnection Request

Operating Agent shall acknowledge receipt of the Interconnection Request to the Interconnection Customer, and shall send a copy of the Interconnection Request and receipt acknowledgement to the E&O Committee, within ten (10) Business Days of receipt of the request.

3.2.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.2.1 have been received by Operating Agent. If an Interconnection Request fails to meet the requirements set forth in Section 3.2.1, Operating Agent shall notify Interconnection Customer and the E&O Committee within ten (10) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Operating Agent the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice, and Operating Agent shall send a copy of the additional requested information to the E&O Committee upon receipt. Failure by Interconnection Customer to comply with this Section 3.2.3 shall be treated in accordance with Section 3.5.

3.2.4 Scoping Meeting

Within twenty (20) Business Days after receipt of a valid Interconnection Request, Operating Agent shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties. Operating Agent shall notify the E&O Committee of the date of the Scoping Meeting.

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. Operating Agent 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. Operating Agent 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 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.3 OASIS Posting

Operating Agent will maintain on its OASIS a list of all Interconnection Requests received for the JPP. The list shall be posted and maintained separately from the list of Interconnection Requests received for the Operating Agent's solely-owned Transmission System. The list of Interconnection Requests for the JPP will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (ix) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of a Joint Participant or an Affiliate thereof, which shall be identified as "Joint Participant/Affiliate" the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA. Before holding a Scoping Meeting with a Joint Participant/Affiliate, Operating Agent shall post on OASIS an advance notice of its intent to do so. Operating Agent shall post to its OASIS site any deviations from the study timelines set forth herein. Notice of the availability of Interconnection Study reports and Optional Interconnection Study reports pertaining to the JPP shall be posted to the JPP section of the Operating Agent's OASIS site subsequent to the meeting between Interconnection Customer and Operating Agent to discuss the applicable study results. Operating Agent shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.4 Coordination with Affected Systems

Operating Agent will coordinate the conduct of any studies required to determine the impact of the Interconnection Request for the JPP 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. Operating Agent will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Operating Agent in all matters related to the conduct of studies and the determination of modifications to Affected Systems. An Affected System shall cooperate with Operating Agent with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.5 Coordination with Palo Verde Nuclear Generating Station.

As provided for in Section 7.5, Operating Agent will coordinate with the Palo Verde Nuclear Generating Station for review of impacts from the requested interconnection on that generating station. Interconnection Customer shall be responsible for all costs associated with mitigation of any such impacts on the Palo Verde Nuclear Generating Station.

3.6 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Operating Agent. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.6 (Disputes), Operating Agent shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice from the Operating Agent, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify Operating Agent of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. If an Interconnection Customer withdraws or is deemed to have

withdrawn its Interconnection Request, Operating Agent shall pay from the deposit made pursuant to Section 3.1 all costs that Operating Agent prudently incurs with respect to that Interconnection Request prior to Operating Agent's receipt of notice described above. Interconnection Customer must pay all monies due to Operating Agent before it is allowed to obtain any Interconnection Study data or results.

Operating Agent shall (i) update the OASIS Queue Position posting and (ii) except as provided for in Section 3.1, refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Operating Agent has incurred, including interest calculated in accordance with section 35.19a (a)(2) of FERC's regulations, as appropriate, excluding the non-refundable \$25,000 as provided for in Section 3.1. In the event of such withdrawal, Operating Agent, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Operating Agent developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

Section 4. Queue Position

4.1 General

Operating Agent shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.2.3, then Operating Agent shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

Subject to Section 4.2, the Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

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

4.2 Clustering

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

Clustering shall be implemented on the basis of date of executed Interconnection System Impact Study Agreement. If Operating Agent elects to study Interconnection Requests using Clustering, all Interconnection Requests for which Operating Agent has received a signed Interconnection System Impact Study Agreement within any given calendar year quarter shall be clustered together for an Interconnection System Impact Study in the immediately following calendar year quarter Queue Cluster Window. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Operating Agent may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

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

4.3 Transferability of Queue Position

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications

Interconnection Customer shall submit to Operating Agent, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Operating Agent may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Operating Agent and Interconnection Customer, such acceptance not to be unreasonably withheld, Operating Agent 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 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to Interconnection System Impact Study Agreement

Prior to the return of the executed Interconnection System Impact Study Agreement to Operating Agent, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to Interconnection Facilities Study Agreement

Prior to the return of the executed Interconnection Facility Study Agreement to Operating Agent, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those

modifications are the responsibility of the requesting Interconnection Customer.

4.4.3 Material Modifications

Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Operating Agent evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Operating Agent 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 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Modification Studies

Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Operating Agent shall commence and perform any necessary additional studies as soon as practicable, with Operating Agent making good faith efforts to commence such studies no later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5 Extension of Commercial Operation Date

Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

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

5.1 Queue Position for Pending Requests

5.1.1 Interconnection Study Agreements

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

- 5.1.1.1** If an Interconnection Study Agreement 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.
- 5.1.1.2** If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Operating Agent must offer Interconnection Customer the option of either continuing under Operating Agent's existing 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.
- 5.1.1.3** If an LGIA has been executed before the effective date of the LGIP, then the LGIA would be grandfathered.

5.1.2 Transition Period

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 Operating Agent to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Operating Agent

If the Joint Participants transfer control of the JPP to a successor Operating Agent during the period when an Interconnection Request is pending, the original Operating Agent shall transfer to the successor Operating Agent any amount of the deposit with interest thereon as appropriate that exceeds the cost that the Operating Agent incurred thus far to evaluate the request

for interconnection. The original Operating Agent shall coordinate with the successor Operating Agent to complete any Interconnection Study, as appropriate, that the original Operating Agent has begun but has not completed. If Operating Agent has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not executed the LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Operating Agent.

Section 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement

Simultaneously with the acknowledgement of a valid Interconnection Request Operating Agent shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study and that the Operating Agent will draw on the Interconnection Customer's deposit, as provided for in Section 3.1, to perform the study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. The Operating Agent shall make Reasonable Efforts to, within five (5) Business Days following Operating Agent's receipt of such designation, tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Operating Agent, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. If Operating Agent cannot tender such an agreement in this time frame, Operating Agent shall provide to Interconnection Customer an estimated date for such tender and an explanation of the reasons why additional time is required. Interconnection Customer shall execute and deliver to Operating Agent the Interconnection Feasibility Study Agreement no later than thirty (30) Calendar Days after it receives the agreement from the Operating Agent.

On or before the return of the executed Interconnection Feasibility Study Agreement to Operating Agent, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of

Interconnection identified by either Interconnection Customer or Operating Agent, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Operating Agent 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 Interconnection Feasibility Study Agreement shall be the substitute.

If Interconnection Customer and Operating Agent agree to forgo the Interconnection Feasibility Study, Operating Agent will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$250,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the JPP.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the JPP; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the JPP; and (iv) have no Queue Position but have executed an LGIA or have requested to initiate Dispute Resolution. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures

Operating Agent, Interconnection Customer or third party consultant, as provided for in Section 13.5, shall conduct the study. The study shall utilize existing studies to the extent practicable. The party conducting the study shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Operating Agent receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any

time Operating Agent determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Operating Agent shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Operating Agent is unable to complete the Interconnection Feasibility Study within that 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, Operating Agent shall provide Interconnection Customer supporting documentation, work papers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

6.3.1 Meeting with Operating Agent

Within twenty (20) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Operating Agent will make Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection Feasibility Study. If Operating Agent cannot schedule such a meeting in this time, Operating Agent shall provide to Interconnection Customer an estimation of the meeting date and explanation of the reasons why additional time is required.

6.4 Re-study

If re-study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Operating Agent shall notify Interconnection Customer in writing. Operating Agent will make Reasonable Efforts to conduct such re-study within forty-five (45) Calendar Days from the date of the notice. If Operating Agent cannot complete the study in this time, Operating Agent will provide to Interconnection Customer an estimate of the study completion time and explanation of why additional time is required. Any cost of re-study shall be borne by the Interconnection Customer.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.2.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Operating Agent shall

provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Operating Agent for the actual cost of the Interconnection System Impact Study and that the Operating Agent will draw upon the Interconnection Customer's deposit to perform the study. In the event that the deposit is not sufficient to cover the costs, including potential re-study in accordance with Section 7.7, the Operating Agent shall invoice Interconnection Customer for the estimated balance to complete the study. Interconnection Customer shall submit payment no later than fifteen (15) calendar days after it receives the invoice. After completion of the Interconnection System Impact Study, including any re-study, any remaining deposit shall be applied to the costs of the Interconnection Facilities Study, or, if Interconnection Customer withdraws its request in accordance with Section 3.5, refunded in accordance with Sections 3.2.1 and 3.5. Operating Agent shall make Reasonable Efforts to provide to Interconnection Customer, within three (3) Business Days of the Interconnection Feasibility Study results meeting, a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study. If Operating Agent cannot provide such an estimate in this time, Operating Agent shall provide to Interconnection Customer an estimated time for delivery of such estimate and explanation of why additional time is required.

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 Operating Agent no later than thirty (30) Calendar Days after its receipt of the agreement from the Operating Agent.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Operating Agent shall make Reasonable Efforts to notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement. If Operating Agent is unable to make such notification within this time, Operating Agent shall provide to Interconnection Customer an estimated time for such notification and explanation of why additional time is required. 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.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Operating Agent, 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 7.7 as applicable. For the purpose of this Section 7.2, if Operating Agent 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 Interconnection Feasibility Study Agreement, as specified pursuant to Sections 3.2.4 or 6.1, shall 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 JPP. 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 JPP; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the JPP; and (iv) have no Queue Position but have executed an LGIA or initiated Dispute Resolution.

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 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

Operating Agent, Interconnection Customer or third party consultant, as provided for in Section 13.5, shall conduct the study. The party conducting the study shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.4 above. The study shall utilize existing studies to the extent practicable. The party conducting the study shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the executed Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Operating Agent uses Clustering, Operating Agent shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window, after receipt of the executed Interconnection System Impact Study Agreement or notification to proceed and technical data. At the request of Interconnection Customer or at any time Operating Agent determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Operating Agent shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Operating Agent 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, Operating Agent shall provide Interconnection Customer all supporting documentation, work papers and relevant pre-Interconnection Request and post-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 Palo Verde Nuclear Generating Station Review

Upon completion of the Interconnection System Impact study, and before study results are provided to Interconnection Customer, Operating Agent shall provide the study results to the Palo Verde Nuclear Generating Station for its review of impacts from the requested interconnection on that generating station. The study results will be redacted to remove identification of Interconnection Customer. Additional studies needed to clearly identify impacts and mitigation required to protect the Palo Verde Nuclear Generating Station shall be performed as a re-study in accordance with Section 7.7, at Interconnection Customer's expense. Any such additional re-study work and results will be included in the Interconnection System Impact Study and provided to the Interconnection Customer.

7.6 Meeting with Operating Agent

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Operating Agent will make Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection System Impact Study. If Operating Agent cannot meet within this time, Operating Agent shall provide to Interconnection Customer an estimate of time for the meeting and explanation of reasons why additional time is required.

7.7 Re-study

If re-study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to Section 4.4, re-designation of the Point of Interconnection pursuant to Section 7.2, or as a result of potential impacts identified pursuant to Section 7.5, Operating Agent shall notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. If Operating Agent is unable to complete the re-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. Any cost of re-study shall be borne by the Interconnection Customer.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Operating Agent shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Operating Agent for the actual cost of the Interconnection Facilities Study and that the Operating Agent will draw upon Interconnection Customer's deposit to perform the study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Operating Agent within thirty (30) Calendar Days after its receipt, together with the required technical data. In the event that the deposit is not sufficient to cover the costs, including potential re-study in accordance with Section 8.5, Operating Agent shall invoice Interconnection Customer for the estimated balance to complete the study. Interconnection Customer shall submit

payment no later than fifteen (15) calendar days after its receipt of the invoice from the Operating Agent. After completion of the Interconnection Facilities Study, any remaining deposit shall be applied to the JPP administrative costs of negotiating a LGIA with Interconnection Customer.

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 JPP. 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 JPP 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

Operating Agent, Interconnection Customer or third party consultant, as provided for in Section 13.5, shall conduct the study. The party conducting the study shall coordinate the study with any Affected System pursuant to Section 3.4 above. The study shall utilize existing studies to the extent practicable. The party conducting the study 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: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Operating Agent determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Operating Agent shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Operating Agent 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 Operating Agent, which Operating Agent shall include in the final report. Operating Agent 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. Operating Agent may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Operating Agent to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Operating Agent shall provide Interconnection Customer supporting documentation, work papers, 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 Operating Agent

Within twenty (20) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Operating Agent and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study. If Operating Agent cannot schedule a meeting within this time, Operating Agent shall notify Interconnection Customer of the estimated time for such a meeting and explanation of why additional time is required.

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 4.4, Operating Agent shall so notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. If Operating Agent is unable to complete the re-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. Any cost of re-study shall be borne by the Interconnection Customer.

Section 9. Engineering & Procurement ('E&P') Agreement

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Operating Agent shall offer the Interconnection Customer, an E&P Agreement that authorizes Operating Agent to begin engineering and procurement of long

lead-time items necessary for the establishment of the interconnection. However, Operating Agent 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, Joint Participants may elect: (i) to take title to the equipment, in which event Operating Agent 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 Operating Agent shall perform a reasonable number of Optional Interconnection Studies. The request shall describe the assumptions that Interconnection Customer wishes Operating Agent 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, Operating Agent shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case, and (iii) Operating Agents estimate of the cost of the Optional Interconnection Study. To the extent known by Operating Agent, 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, Operating Agent shall not be required, as a result of an Optional Interconnection Study request, to conduct any additional Interconnection Studies with respect to any other Interconnection Request for the JPP.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement and the technical data to Operating Agent.

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 JPP Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Operating Agent shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the Interconnection Service being studied. Operating Agent 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 Operating Agent within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Operating Agent, Interconnection Customer or third party consultant, as provided for in Section 13.5, shall conduct the study. The party conducting the study shall use Reasonable Efforts to complete the Optional

Interconnection Study within a mutually agreed upon time period as specified within the Optional Interconnection Study Agreement. If Operating Agent 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 Operating Agent or refunded to Interconnection Customer, as appropriate. Upon request, Operating Agent shall provide Interconnection Customer supporting documentation and work papers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. Large Generator Interconnection Agreement (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Operating Agent shall tender a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of the LGIA attached hereto as 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 Operating Agent shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Operating Agent 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 to initiate Dispute Resolution procedures pursuant to Section 13.6. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request initiation of Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if

Interconnection Customer has not executed the LGIA or initiated Dispute Resolution procedures pursuant to Section 13.6 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Operating Agent 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 Operating Agent (A) reasonable evidence of 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 Operating Agent; or (ii) initiate Dispute Resolution. 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 the outcome of the Dispute Resolution process.

11.4 Commencement of Interconnection Activities

If Interconnection Customer executes the final LGIA, Operating Agent and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

Section 12. Construction of JPP Interconnection Facilities and Network Upgrades

12.1 Schedule

Operating Agent and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of JPP 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 JPP 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 Operating Agent 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 JPP, in time to support such In-Service Date. Upon such request, Operating Agent will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Operating Agent: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Operating Agent 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 Operating Agent 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. Operating Agent 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. Operating Agent 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 JPP

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Operating Agent 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 the JPP, in time to support such In-Service Date. Upon such request, Operating Agent will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Operating Agent 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.

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 this LGIP or 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 this LGIP or the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements as applicable), 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, the 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 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 LGIP or the LGIA.

Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance

that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure under Operation of Law

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 a Governmental Authority; (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.

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).

Operating Agent 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

Operating Agent may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Operating Agent, as agent by and for the Joint Participants, 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

Operating Agent 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 Interconnection Request prior to beginning 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 fifteen (15) Calendar Days of receipt of an invoice therefor. Operating Agent 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 Use of Operating Agent's Funds

The Operating Agent shall not be required to advance any of its own funds on behalf of Interconnection Customer.

13.5 Third Party Consultant or Interconnection Customer Conduct of Studies

At any time, Operating Agent may utilize a third party consultant to perform any Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition. The hiring of a third party consultant shall not relieve the hiring Party of any of its obligations under this LGIP. Operating Agent also may approve Interconnection Customer's request to perform its own study work. Regardless of which entity performs any Interconnection Study, Operating Agent shall, at all times, have full responsibility to approve all study plans, conduct and results of all study work.

When a third party consultant is retained, such third party contract may be entered into with either Interconnection Customer or Operating Agent at Operating Agent's discretion. Such third party consultant shall be required to comply with this LGIP and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Operating Agent shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

The provisions in Sections 6,7,8 and 10, addressing the Interconnection Feasibility Study, System Impact Study, Facilities Study and Optional Interconnection Study, respectively, shall be specifically read to incorporate this Section's provisions permitting any such studies to be performed by the Operating Agent, Interconnection Customer and/or a third party consultant, subject to oversight and approval by the Operating Agent.

13.6 Disputes

13.6.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIP or the LGIA, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such 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 either non-binding or binding 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 LGIP or the LGIA.

13.6.2 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"); 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.

13.6.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIP or the LGIA and shall have no power to modify or change any provision of this LGIP or the LGIA in any manner. If the Parties have mutually agreed to binding arbitration, the decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any

court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. 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 of those Joint Participants subject to such FERC jurisdiction.

13.6.4 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.

13.6.5 Governing Law and Venue

This LGIP and the LGIA, and all agreements hereunder shall be interpreted, governed by, and construed under the laws of the State of Arizona, as if executed and to be performed wholly within the State of Arizona. Notwithstanding the forgoing, insofar as the rights or obligations of Western are concerned, applicable Federal law shall be controlling.

13.7 Local Furnishing Bonds

13.7.1 Joint Participants That Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to a Joint Participant 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 LGIP or the LGIA, a Joint Participant shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIP or the LGIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Joint Participant's share of the JPP that would be used in providing such Interconnection Service.

13.7.2 Alternative Procedures for Requesting Interconnection Service

If a Joint Participant 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 share of the JPP that would be used in providing such Interconnection Service, it shall advise the Operating Agent and Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for Interconnection in another form to avoid any such jeopardy to the tax-exempt status of any local furnishing bond(s) used to finance any Joint Participant's share of the JPP.

**APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY**

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with the JPP pursuant to this LGIP.
2. This Interconnection Request is for (check one):
 A proposed new Large Generating Facility.
 An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. 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. General description of the equipment configuration;
 - d. Commercial Operation Date (Day, Month, and Year);
 - e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;
 - f. Approximate location of the proposed Point of Interconnection (optional);
and
 - g. Interconnection Customer Data (set forth in Attachment A)
4. Applicable deposit amount as specified in the LGIP.
5. Evidence of Site Control as specified in the LGIP (check one)
 Is attached to this Interconnection Request
 Will be provided at a later date in accordance with this LGIP

6. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Operating Agent]

7. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

8. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A to Appendix 1
Interconnection Request**

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
 Power Factor _____
 Speed (RPM) _____ Connection (e.g. Wye) _____
 Short Circuit Ratio _____ Frequency, Hertz _____
 Stator Amperes at Rated kVA _____ Field Volts _____
 Max Turbine MW _____ °F _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
 Moment-of-Inertia, WR² = _____ 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 $I_2^2 t =$ _____

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

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:

Elevation: _____ _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

INDUCTION GENERATORS

- (* Field Volts: _____
- (* Field Amperes: _____
- (* Motoring Power (kW): _____
- (* Neutral Grounding Resistor (If Applicable): _____
- (* I_2^2t or K (Heating Time Constant): _____
- (* Rotor Resistance: _____
- (* Stator Resistance: _____
- (* Stator Reactance: _____
- (* Rotor Reactance: _____
- (* Magnetizing Reactance: _____
- (* Short Circuit Reactance: _____
- (* Exciting Current: _____
- (* Temperature Rise: _____
- (* Frame Size: _____
- (* Design Letter: _____
- (* Reactive Power Required In Vars (No Load): _____
- (* Reactive Power Required In Vars (Full Load): _____
- (* Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Operating Agent prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

**APPENDIX 2 to LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, which is the Operating Agent acting on behalf of the Joint Participants in the JPP ("Operating Agent "). Interconnection Customer and Operating Agent each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____ ; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the JPP; and

WHEREAS, Interconnection Customer has requested Operating Agent to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the JPP, 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 JPP LGIP.
- 2.0 Interconnection Customer elects and Operating Agent shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Operating Agent 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 Feasibility Study and as designated in accordance with Section 3.3.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.
- 5.0 The Interconnection Feasibility Study report shall provide the following information:
- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
 - preliminary description and non-binding estimated cost of facilities required to interconnect the Large Generating Facility to the JPP and to address the identified short circuit and power flow issues.
- 6.0 Interconnection Customer shall be responsible for all costs incurred by the Operating Agent in performing the Interconnection Feasibility Study. Any difference between the Interconnection Customer's deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the LGIP.
- 7.0 Miscellaneous. The Interconnection Feasibility 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.

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 Operating Agent, on behalf of the Joint Participants in the JPP]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Operating Agent]

**APPENDIX 3 to LGIP
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 the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, as Operating Agent on behalf of the Joint Participants ("Operating Agent"). Interconnection Customer and Operating Agent each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the JPP;

WHEREAS, [use one of the following as applicable]:

(1) Operating Agent has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the result of said study to Interconnection Customer;

Or

(2) Interconnection Customer and Operating Agent have agreed not to perform an Interconnection Feasibility Study prior to the Interconnection System Impact Study;

WHEREAS, Interconnection Customer has requested Operating Agent to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the JPP, 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 JPP LGIP.

- 2.0 Interconnection Customer elects and Operating Agent shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP.
- 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 Interconnection Feasibility Study, if performed, and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Operating Agent 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, 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 be responsible for all costs incurred by the Operating Agent in performing the Interconnection System Impact Study. Any difference between the Interconnection Customer's deposit and the actual cost of the study shall be paid by or refunded to Interconnection

Customer, as appropriate or applied to subsequent study costs, all as provided for in the LGIP.

7.0 Operating Agent's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

8.0 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 JPP LGIP.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Operating Agent, on behalf of the Joint Participants]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 3
Interconnection System Impact
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, if performed, 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.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Operating Agent]

**APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, Operating Agent, on behalf of the Joint Participants ("Operating Agent"). Interconnection Customer and Operating Agent each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the JPP;

WHEREAS, Operating Agent has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Operating Agent 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 JPP.

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 JPP LGIP.
- 2.0 Interconnection Customer elects and Operating Agent shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP.

- 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 JPP and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall be responsible for all costs incurred by the Operating Agent in performing the Interconnection Facilities Study. Any difference between the Interconnection Customer's deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the LGIP.

The time for completion of the Interconnection Facilities Study is specified in Attachment A.

- 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.

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 Operating Agent, on behalf of the Joint Participants]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 4
Interconnection Facilities
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

Operating Agent 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:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**Attachment B to Appendix 4
Interconnection Facilities
Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing JPP station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
 Yes No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

**APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, Operating Agent, on behalf of the Joint Participants in the JPP ("Operating Agent"). Interconnection Customer and Operating Agent each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the JPP; and

WHEREAS, Interconnection Customer has submitted to Operating Agent an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Operating Agent 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 JPP LGIP.
- 2.0 Interconnection Customer elects and Operating Agent shall perform an Optional Interconnection Study consistent with Section 10.0 of this LGIP.
- 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 JPP 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 be responsible for all costs incurred by the Operating Agent in performing the Optional Interconnection Study. Any difference between the Interconnection Customer's deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate or applied to subsequent study costs, all as provided for in the LGIP.

Operating Agent's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

- 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.

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 Operating Agent, on behalf of the Joint Participants]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____