

ATTACHMENT H

**CLUSTERING LARGE GENERATOR
INTERCONNECTION PROCEDURES (CLGIP)**

(Applicable to Generating Facilities that exceed 20 MW)

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CLUSTERING LARGE GENERATOR INTERCONNECTION PROCEDURES (CLGIP)

Section 1. Objectives and Definitions

1.1 Objectives and Applicability.

The objective of this CLGIP is to implement the requirements for Large Generating Facility Interconnections to the Distribution System. This CLGIP applies to Interconnection Requests assigned to a Queue Cluster Window pursuant to the terms of this Tariff for the performance of its Interconnection Studies.

1.2 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 Distribution Provider's Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Distribution Provider's Distribution System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Base Case shall mean data including, but not limited to, base power flow, short circuit and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform Phase I Interconnection and Phase II Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the CLGIA.

Breaching Party shall mean a Party that is in Breach of the CLGIA.

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

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

Clustering Large Generator Interconnection Agreement (CLGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility processed pursuant to the CLGIP, a *pro forma* version of which is set forth in Appendix 4 to the CLGIP.

Clustering Large Generator Interconnection Procedures (CLGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility set forth in this Attachment H to the Tariff.

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 an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the CLGIA.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the CLGIA.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid.

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 Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the CLGIA to the extent necessary.

Distribution Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the CLGIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution

Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Effective Date shall mean the date on which the CLGIA becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Generating Unit shall mean an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

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

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Distribution Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Full Capacity Deliverability Status shall mean the condition whereby a Large Generating Facility interconnected with the Distribution System, under coincident ISO Control

Area peak demand and a variety of severely stressed system conditions, can deliver the Large Generating Facility's full output to the aggregate of load on the ISO Grid, consistent with the ISO's reliability criteria and procedures and the ISO's On-Peak Deliverability Assessment as set forth in Section 6.3.2.1.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used 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 Electric Generating Units.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Distribution Provider, or any Affiliate thereof.

Group Study shall mean the process whereby more than one Interconnection Request is studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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 Distribution Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Distribution Provider, Distribution Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the CLGIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Financial Security shall mean any of the financial instruments listed in Section 8.1.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of the Clustering Large Generator Interconnection Procedures (CLGIP) and the terms of the Distribution Provider's Interconnection Handbook, the terms in the CLGIP shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the CLGIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive electric energy and

capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the CLGIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 6 and Section 7 of the CLGIP.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the CLGIP applicable to an Interconnection Request submitted in a particular Queue Cluster Window through execution by the parties of a CLGIA, or submission to FERC by Distribution Provider of an unexecuted CLGIA pursuant to Section 10 of the CLGIP.

Interconnection Study Deposit shall mean the cash deposit provided to the Distribution Provider under Section 3.4.1 of the CLGIP as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies as set forth in Sections 3.4.1.2 and 3.4.1.3 of the CLGIP.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's Operational Control.

ISO's Large Generator Interconnection Procedures (ISO Tariff CLGIP) shall mean the procedures included in Appendix GG of the ISO Tariff to interconnect a Large Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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

Large Generator Interconnection Study Process Agreement (LGISPA) shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Large Generating Facility, a *pro forma* version of which is set forth in Appendix 3 of the CLGIP.

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 CLGIA 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 CLGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

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

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 6.3.2.2 of the CLGIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 6.3.2.1 of the CLGIP.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean the engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff CLGIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the CLGIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid

will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff CLGIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the CLGIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the CLGIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 9 of the CLGIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster Window shall mean a period of time specified by the Distribution Provider in which Interconnection Requests will be accepted for processing as set forth in Section 3.3 of the CLGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the CLGIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Large Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Large Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Large Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and if applicable, the ISO and other Affected System Operators to discuss the results of the Phase I Interconnection Study as set forth in Section 6 of the CLGIP.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Distribution Provider, and if applicable, the ISO, 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 Exclusivity shall mean documentation reasonably demonstrating: (1) For private land: (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility. (2) For Public land, including that controlled or managed by any federal, state or local agency, a final, non-appealable permit, license, or other right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under Section 3.4.1 of the CLGIP as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with Section 3.4.1.4 of the CLGIP.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the CLGIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO Controlled Grid, and Affected Systems 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 Distribution Provider's Distribution System, the ISO Controlled Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

Tariff shall mean the Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission System shall mean those transmission facilities owned by the Distribution Provider or that have been placed under the ISO's operational control and are part of the ISO Grid.

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.

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Section 2. Scope and Application

2.1 Application of CLGIP.

Sections 2 through 12 apply to processing an Interconnection Request pertaining to a Large Generating Facility assigned to a Queue Cluster Window pursuant to the terms of this CLGIP for the performance of its Interconnection Studies. Appendix 2 of this CLGIP sets forth exceptions to the provisions of this CLGIP that apply to processing an Interconnection Request pertaining to a Large Generating Facility that meets the criteria set forth in CLGIP Appendix 2.

2.2 Comparability.

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

2.3 Base Case Data.

Distribution Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in CLGIP Section 12.1. Distribution Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such Base Cases shall include all (i) generation projects and (ii) transmission

projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Distribution Service.

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

Section 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 1 to this CLGIP. The Distribution Provider will forward a copy of the Interconnection Request to the ISO.

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.

If the Interconnection Customer also desires Distribution Service, then the Interconnection Customer shall submit to the Distribution Provider an Application in accordance with Section 15.2 of the Tariff, including the required deposit. If the Application for Distribution Service is deemed a Completed Application, then the schedule for performing the System Impact Study and Facilities Study, or their equivalent, and for executing the Service Agreement shall coincide with the schedule for performing the Interconnection Studies, and executing the CLGIA under this CLGIP.

3.2 Interconnection Service.

3.2.1 The Product. Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Distribution System and be eligible to deliver the Large Generating Facility's output using the capacity of the Distribution System to the ISO Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.2 The Interconnection Studies. The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which will include, but not be limited to, short circuit/fault duty, steady state

(thermal and voltage) and stability analyses. The Interconnection Studies will identify direct Interconnection Facilities, Distribution Upgrades and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service.

The Interconnection Studies will also identify Delivery Network Upgrades to allow the full output of a Large Generating Facility selecting Full Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Large Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in CLGIP Section 6.3.

3.2.3 Roles and Responsibilities.

3.2.3.1 Each Interconnection Request will be subject to the direction and oversight of the Distribution Provider. The Distribution Provider will conduct or cause to be performed the required Interconnection Studies and any additional studies the Distribution Provider determines to be reasonably necessary. The ISO may perform portions of the Phase I Interconnection Study, Phase II Interconnection Study and Deliverability Assessments related to the analysis of impacts on, and upgrades required to, the ISO Grid. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators in accordance with CLGIP Section 3.6.

3.2.3.2 The Distribution Provider will complete or cause to be completed all studies as required within the timelines provided in this CLGIP.

3.2.3.3 Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the Distribution Provider determines to be reasonably necessary in response to the Interconnection Request. The Distribution Provider shall reimburse the ISO for the actual cost of any portion of the Interconnection Studies that the ISO performs related to the ISO Grid.

3.3 Queue Cluster Windows.

Interconnection Requests must be submitted during a Queue Cluster Window. Separate Queue Cluster Windows shall be established as follows: (i) as provided for in CLGIP Appendix 2, Section 1.1; (ii) opening on August 11, 2008 and closing on July 31, 2009; (iii) opening on October 1, 2009 and closing on January 31, 2010; and (iv) thereafter, each calendar year shall have two Queue Cluster

Windows with opening and closing dates as set forth on the Distribution Provider's website.

Any changes to the Queue Cluster Window interval and opening or closing dates set forth on the Distribution Provider's website will be posted on the Distribution Provider's website.

3.4 Processing of Interconnection Request.

3.4.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, except as set forth in CLGIP Section 3.4.1.1, Interconnection Customer must submit during a Queue Cluster Window all of the following: (i) a \$250,000 Interconnection Study Deposit, (ii) a completed application in the form of Appendix 1, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

3.4.1.1 Initiating an Interconnection Request for Certain Existing Generating Facilities.

An Interconnection Customer submitting an Interconnection Request relating to a Generating Facility, subject to the CLGIP in accordance with this Tariff, that has achieved Commercial Operation prior to the date of the Interconnection Request, and is seeking to increase the capacity of the Generating Facility by less than 20 MW, must submit during a Queue Cluster Window all of the following: (i) a \$100,000 Interconnection Study Deposit, (ii) a completed application in the form of CLGIP Appendix 1, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other required technical data, and (iii) demonstration of Site Exclusivity sufficient to accommodate the added capacity, or a posting of an additional Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

3.4.1.2 Use of Interconnection Study Deposit.

The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies.

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under CLGIP Section 3.7 on or before thirty (30) Calendar Days following the Scoping Meeting, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (b) Should an Interconnection Request made under CLGIP Section 3.4.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under CLGIP Section 3.7 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf or \$100,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).
- (c) Should an Interconnection Request made under CLGIP Section 3.4.1.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under CLGIP Section 3.7 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Phase I Interconnection Study, the Distribution Provider shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the Distribution Provider, ISO, and

third parties have incurred on the Interconnection Customer's behalf or \$50,000, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

- (d) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under CLGIP Section 3.7 at any time more than thirty (30) Calendar Days after the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.
- (e) Upon execution of a CLGIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted CLGIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit that exceeds the costs the Distribution Provider, ISO, and third parties have incurred on the Interconnection Customer's behalf, including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the Distribution Provider all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Distribution Provider will reimburse the ISO or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the Distribution Provider's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results. Any proceeds of the Interconnection Study Deposit not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed to be incurred for the Interconnection Studies shall be remitted to the ISO and treated in accordance with ISO Tariff Section 37.9.4.

3.4.1.3 Obligation for Study Costs.

Except as otherwise provided in CLGIP Section 3.4.1.2, the Distribution Provider shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) calendar days. The Distribution Provider shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

3.4.1.4 Use of Site Exclusivity Deposit.

The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the Distribution Provider by written notice under CLGIP Section 3.7. The refund of the Site Exclusivity Deposit shall include interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes a CLGIA or requests the filing of an unexecuted CLGIA under CLGIP Section 10 if Site Exclusivity has not been demonstrated.

3.4.1.5 Proposed Commercial Operation Date.

The proposed Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by Distribution Provider, unless Interconnection Customer demonstrates and the Distribution Provider agrees, such agreement not to be unreasonably withheld,

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 seven year period.

3.4.2 Validation of Interconnection Request.

3.4.2.1 Acknowledgment of Interconnection Request.

Distribution Provider shall notify the Interconnection Customer within six (6) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

3.4.2.2 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 or 3.4.1.1, as applicable, have been received by Distribution Provider and deemed valid by the Distribution Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1 or 3.4.1.1, as applicable, Distribution Provider shall include in its notification to the Interconnection Customer under CLGIP Section 3.4.2.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Distribution Provider the additional requested information needed to constitute a valid request. Whenever the additional requested information is provided by the Interconnection Customer, the Distribution Provider shall notify the Interconnection Customer within three (3) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in the applicable CLGIP Section 3.4.1 or 3.4.1.1, the Distribution Provider shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of the applicable CLGIP Section 3.4.1 or 3.4.1.1 no later than twenty (20) Calendar Days after the close of the applicable Queue Cluster Window or ten (10) Calendar Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of CLGIP Section 3.4.1 or 3.4.1.1, as applicable, within twenty (20) Calendar Days after the close of the applicable Queue Cluster Window or ten (10) Calendar Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not

be included in Interconnection Study Cycle and will be deemed invalid.

Interconnection Requests deemed invalid under this CLGIP Section 3.4.2.2 are not subject to CLGIP Section 3.7.

Interconnection Customers with invalid Interconnection Request under this CLGIP Section 3.4.2.2 may seek relief under CLGIP Section 12.3 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

3.5 Internet Posting.

Distribution Provider will maintain on its website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the most recent Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; and (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 (e.g., combined cycle, combustion turbine, wind turbine, and fuel type); and (ix) the requested deliverability status.

Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes a CLGIA or requests that Distribution Provider file an unexecuted CLGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Distribution Provider shall post on its website an advance notice of its intent to do so.

Distribution Provider shall post to its website any deviations from the study timelines set forth herein. The Distribution Provider shall also post to its website non-confidential portions of the Phase I Interconnection Study following the final Results Meeting and non-confidential portions of the Phase II Interconnection Study no later than publication of the ISO's final transmission plan under Section 24.2.5.2 of Appendix EE to the ISO Tariff.

3.6 Coordination with Affected Systems.

The Distribution Provider will notify the Affected System Operators that are potentially affected by an Interconnection Customer's Interconnection Request or group of Interconnection Requests subject to a Group Study. The Distribution Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this CLGIP.

Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this CLGIP. Interconnection Customer will cooperate with Distribution Provider in all matters related to the

conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.7 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Distribution Provider, and the Distribution Provider will notify the ISO and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the Distribution Provider of a valid Interconnection Request under CLGIP Section 3.4.2, if the Interconnection Customer fails to adhere to all requirements of this CLGIP, except as provided in Section 12.3 (Disputes), Distribution Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal within five (5) Business Days and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have five (5) Business Days in which to either respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the Distribution Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the removal of the Interconnection Request from the Interconnection Study Cycle. If an Interconnection Customer disputes the withdrawal and removal from the Interconnection Study Cycle and has elected to pursue Dispute Resolution, Interconnection Customer's Interconnection Request will not be considered in any ongoing Interconnection Study during the Dispute Resolution process.

In the event of such withdrawal, Distribution Provider, subject to the provisions CLGIP Sections 12.1 and 3.4.1.2, shall provide, at Interconnection Customer's request, all information that Distribution Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8 Transferability of Interconnection Request.

An Interconnection Customer may transfer its Interconnection Request 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.

Section 4. Large Generator Interconnection Study Process Agreement

Within thirty (30) Calendar Days of the close of the Queue Cluster Window, the Distribution Provider shall provide to each Interconnection Customer with a valid Interconnection Request received during the Queue Cluster Window a pro forma Large

Generator Interconnection Study Process Agreement in the form set forth in Appendix 3 of this CLGIP. The pro forma Large Generator Interconnection Study Process Agreement shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs, and all requirements of this CLGIP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the Large Generator Interconnection Study Process Agreement the Point of Interconnection for the Phase I Interconnection Study. Within ten (10) Business Days following the Distribution Provider's receipt of such designation, the Distribution Provider, in coordination with the ISO, shall provide to the Interconnection Customer a signed Large Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the Distribution Provider the Large Generator Interconnection Study Process Agreement no later than thirty (30) Calendar Days after the Scoping Meeting.

Section 5. Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer of a valid Interconnection Request, the Distribution Provider shall establish a date agreeable to the Interconnection Customer and the ISO, if applicable, for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) Calendar Days after the close of the Queue Cluster Window, unless otherwise mutually agreed upon by the Parties. The Distribution Provider, in coordination with the ISO, shall determine whether the Interconnection Request is at or near the boundary of an Affected System(s) so as to potentially affect such third parties. If such a determination is made, the Distribution Provider shall invite the Affected System Operator(s) in accordance with CLGIP Section 3.6, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and 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 and eliminate alternatives given resources and available information. The Distribution Provider will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) such already available 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, and (b) general information regarding the number, location, and capacity of other Interconnection Requests in the Interconnection Study Cycle that may potentially form a Group Study with the Interconnection Customer's Interconnection Request.

The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Attachment A to CLGIP Appendix 1, any system studies previously

performed. The Distribution Provider, the ISO, if applicable, and the 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, the Interconnection Customer shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

Section 6. Interconnection Studies

6.1 Grouping Interconnection Requests.

At Distribution Provider's option, and in coordination with the ISO, as applicable, an Interconnection Request received during a particular Queue Cluster Window may be studied individually or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study within an Interconnection Study Cycle, the Distribution Provider, in coordination with the ISO, may develop one or more Group Studies. A Group Study will include Interconnection Requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying Interconnection Service. Grouping of Interconnection Requests for the purpose of determining Distribution System impacts and mitigation, as determined by the Distribution Provider, may differ from the grouping required for determining impacts and mitigation on the ISO Grid as determined by the Distribution Provider, in coordination with the ISO, given the non-network nature of the Distribution System. The Distribution Provider may also, in coordination with the ISO, as applicable, conduct an Interconnection Study for an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility from other Large Generating Facilities with Interconnection Requests in the same Queue Cluster Window.

An Interconnection Request's inclusion in a Group Study will not relieve the Distribution Provider from meeting the timelines for conducting the Phase I Interconnection Study provided in the CLGIP. Group 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.

6.2 Scope and Purpose of the Phase I Interconnection Study.

The Phase I Interconnection Study shall (i) evaluate the impact of all Interconnection Requests received during the Queue Cluster Window on the Distribution System and ISO Grid, (ii) preliminarily identify the Distribution Upgrades needed to address the impacts on the Distribution System; (iii) preliminarily identify the Network Upgrades needed to address the impacts on the ISO Grid of the Interconnection Requests, (iv) preliminarily identify for each Interconnection Request required Distribution Provider's Interconnection

Facilities, (v) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall system upgrade costs, (vi) establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in accordance with CLGIP Section 6.3, and (vii) provide a good faith estimate of the cost of Distribution Upgrades and Distribution Provider's Interconnection Facilities for each Interconnection Request. The portion of the Phase I Interconnection Study required to evaluate impacts on the ISO Grid will be conducted in coordination with the ISO in a manner consistent with the procedures set forth in the ISO Tariff CLGIP.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the Distribution Provider and ISO reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak and Off-Peak Deliverability Assessment(s), as applicable, in accordance with CLGIP Section 6.3.2. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually. The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of Distribution Upgrades and Network Upgrades that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Distribution Provider's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

6.3 Identification and Cost Allocation Methods for Network Upgrades and Distribution Upgrades in Phase I Interconnection Study.

6.3.1 Reliability Network Upgrades.

The Distribution Provider, in coordination with the ISO, will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Reliability Network Upgrades needed to interconnect the Large Generating Facilities to the Distribution System. The Distribution Provider, in coordination with the ISO, shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of short circuit related Reliability Network Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the short circuit duty contribution of

each Large Generating Facility. The estimated costs of all other Reliability Network Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request. The estimated costs of Reliability Network Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

6.3.2 Delivery Network Upgrades.

6.3.2.1 The On-Peak Deliverability Assessment.

An On-Peak Deliverability Assessment will be performed, in coordination with the ISO, for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Large Generating Facility's ability to deliver its Energy to the ISO Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Large Generating Facility with Full Capacity Deliverability Status. The preliminary Delivery Network Upgrades identified by the On-Peak Deliverability Assessment will be used to establish the maximum cost responsibility for Delivery Network Upgrades for each Interconnection Customer selecting Full Capacity Deliverability Status. Deliverability of a new Large Generating Facility will be assessed on the same basis as all other existing resources interconnected to the Distribution System or ISO Grid.

The On-Peak Deliverability Assessment will identify the Network Upgrades that are required to enable the Large Generating Facility of each Interconnection Customer requesting Full Capacity Deliverability Status to meet the requirements for deliverability. Deliverability requires that the Generating Facility Capacity, as set forth in the Interconnection Request, can be delivered to the aggregate of Load (as defined in the ISO Tariff) on the ISO Grid, consistent with reliability criteria, under ISO Grid peak load and contingency conditions, and assuming the aggregate output of existing Generating Facilities with established Net Qualifying Capacity (as defined in the ISO Tariff) values and other Large Generating Facilities in the Interconnection Study Cycle seeking Full Capacity Deliverability Status identified within the On-Peak Deliverability Assessment based on the effect of transmission constraints.

The On-Peak Deliverability Assessment will further include an analysis to estimate the MW of deliverable generation capacity for the individual or Group Study if the highest cost Delivery Network Upgrade component was removed from the preliminary Delivery Network Upgrade plan, or, at the Distribution Provider's and ISO's sole discretion, if any other identified Delivery Network Upgrade component(s) was removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under CLGIP Section 6.6.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under CLGIP Section 11.3.

The methodology for the On-Peak Deliverability Assessment will be as set forth in the ISO Tariff. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or delivery point on the ISO Grid.

The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Large Generating Facility on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

6.3.2.2 The Off-Peak Deliverability Assessment.

An Off-Peak Deliverability Assessment will be performed, in coordination with the ISO, for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests to determine Delivery Network Upgrades in addition to those identified in the On-Peak Deliverability Assessment, if any, for a Group Study or individual Phase I Interconnection Study that includes one or more Location Constrained Resource Interconnection Generators (LCRIG) as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. Delivery Network Upgrades will be identified under this Section to ensure that the full maximum megawatt electrical output of each proposed new LCRIG or the amount of megawatt increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Group Study, is deliverable to the aggregate of Load on the ISO Grid under the Generation dispatch conditions studied. The methodology for the Off-Peak Deliverability Assessment will be published pursuant to the ISO Tariff.

At the Distribution Provider's and ISO's discretion, an additional Off-Peak Deliverability Assessment may be performed to estimate the MW of deliverable generation capacity from the LCRIG studied individually or from the Group Study if the highest cost, or any other, Delivery Network Upgrade component were removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under CLGIP Section 6.6.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under CLGIP Section 11.3.

The estimated costs of Delivery Network Upgrades identified in the Off-Peak Deliverability Assessment shall be assigned to each Interconnection Request included in the Group Study or studied individually based on the flow impact of each such LCRIG on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the Off-Peak Deliverability Assessment methodology.

6.3.3 Distribution Upgrades.

The Distribution Provider will perform short circuit analyses and stability analyses, if required, for each Interconnection Request either individually or as part of a Group Study to preliminarily identify the Distribution Upgrades needed to interconnect the Large Generating Facility to the Distribution System. The Distribution Provider shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a Group Study to identify reliability criteria violations on the Distribution System, including applicable thermal overloads, that must be mitigated by Distribution Upgrades.

The estimated costs of Distribution Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The estimated costs of Distribution Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata based on each Interconnection Request's contribution to the need for the upgrade.

6.4 Costs Identified in the Phase I Interconnection Study Form the Basis of Interconnection Financial Security.

The costs assigned to Interconnection Customers for Network Upgrades under this Section 6 of the CLGIP shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under CLGIP Section 8 for such Network Upgrades. In contrast, the costs

assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under this Section 6 of the CLGIP are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under CLGIP Section 8 for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

6.5 Phase I Interconnection Study Procedures.

The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to CLGIP Section 3.2, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to CLGIP Section 3.6. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The Distribution Provider will coordinate Base Case development with the ISO, as applicable, to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report within two hundred seventy (270) Calendar Days after the close of the Queue Cluster Window and approximately one hundred eighty (180) Calendar Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under CLGIP Section 12.2. The Distribution Provider will share applicable study results with the ISO and Affected System Operators, if applicable, for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I Interconnection Study, the Distribution Provider may, at the Interconnection Customer's request, determine whether the provisions of CLGIP Section 7.7 apply.

At any time the Distribution Provider determines that it will not meet the required time frame for completing the Phase I Interconnection Study due to the large number of Interconnection Requests in the Queue Cluster Window, study complexity, coordination with the ISO Tariff CLGIP study processes, or unavailability of subcontractors on a reasonable basis to perform the study in the required time frame, the Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Phase I Interconnection Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the Distribution Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with CLGIP Section 12.1.

6.6 Phase I Interconnection Study Results Meeting.

Within thirty (30) Calendar Days of providing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the ISO, and Affected System Operators, if applicable, and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

6.6.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Distribution Provider's Interconnection Facilities or Distribution Upgrades for the Large Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system (SPS), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the Distribution Provider and ISO, if applicable, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the Distribution Provider, in coordination with the ISO, if applicable, will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the Distribution Provider, of necessary Distribution Upgrades, Reliability Network Upgrades and/or Distribution Provider's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under CLGIP Section 12.3. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under CLGIP Section 12.3.

6.6.2 Modifications.

6.6.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the Distribution Provider, or the ISO, as applicable, 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 the Distribution Provider, the ISO, as applicable, and Interconnection Customer, such acceptance not to be unreasonably withheld, Distribution Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

6.6.2.2 At the Phase I Interconnection Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the publication of the final Phase I Interconnection Study, but no later than five (5) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to Distribution Provider, in writing, modifications to any information provided in the Interconnection Request. The Distribution Provider will forward the Interconnection Customer's modification to the ISO within one (1) Business Day of receipt.

Modifications permitted under this Section 6.6.2 shall include specifically: (a) a decrease in the 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 any modification other than these, the Interconnection Customer may first request that Distribution Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, if applicable, and any Affected System Operator, if applicable, 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 for that specified by the Distribution Provider in an Interconnection Study or otherwise allowed under this CLGIP Section 6.6.2, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this CLGIP Section 6.6.2.

Section 7. Phase II Interconnection Study

7.1 Scope of Phase II Interconnection Study.

The Distribution Provider, in coordination with the ISO, as applicable, will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue, (ii) identify Distribution Upgrades needed to physically interconnect the Large Generating Facility, (iii) assign cost responsibility for the Distribution Upgrades, (iv) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (v) allocate estimated cost responsibility for financing the identified final Reliability Network Upgrades, (vi) identify, following coordination with the ISO's transmission planning process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vii) allocate estimated cost responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (viii) identify for each Interconnection Request final Point of Interconnection and Distribution Provider's Interconnection Facilities, (ix) provide an estimate for each Interconnection Request of the final Distribution Provider's Interconnection Facilities, and (x) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, as applicable.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Distribution System. The Phase II Interconnection 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 Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

7.2 Coordination of the Phase II Interconnection Study with the ISO's Transmission Planning Process.

The Distribution Provider, in cooperation with the ISO, shall coordinate the analysis of impacts on the ISO Grid under the Phase II Interconnection Studies with the ISO's transmission planning process in accordance with the ISO Tariff CLGIP.

7.3 Financing of Distribution Upgrades.

The responsibility to finance Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The responsibility to finance Distribution Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the each Interconnection Request's contribution to the need for the Distribution Upgrade. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Distribution Upgrades as set forth in this CLGIP Section 7.3.

7.4 Financing of Reliability Network Upgrades.

The responsibility to finance final Reliability Network Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request up to the cost assignment for Reliability Network Upgrades under CLGIP Section 6.3.1. The responsibility to finance final short circuit related Reliability Network Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of short circuit duty contribution of each Large Generating Facility up to the cost assignment for Reliability Network Upgrades under CLGIP Section 6.3.1. The responsibility to finance all other final Reliability Network Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request up to the cost assignment for Reliability Network Upgrades under CLGIP Section 6.3.1.

7.5 Financing of Delivery Network Upgrades.

The responsibility to finance all Delivery Network Upgrades identified in the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment as part of Phase II Interconnection Study shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Large Generating Facility on each Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak and Off-Peak Deliverability Assessment methodologies. The financing

responsibility shall be up to, but no greater than, the cost assignment for Delivery Network Upgrades for each Interconnection Request under CLGIP Sections 6.3.2.1 and 6.3.2.2.

7.6 Phase II Interconnection Study Procedures.

Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to CLGIP Section 3.2, and any Affected System Operator that is affected by the Interconnection Request pursuant to Section 3.6 above.

Distribution Provider shall utilize existing studies to the extent practicable in conducting the Phase II Interconnection Study. Distribution Provider will coordinate Base Case development with the ISO to ensure the Base Cases are accurately developed for the assessment of impacts on the ISO Grid. The Distribution Provider shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase II Interconnection Study report within three hundred thirty (330) Calendar Days from January 1 of each calendar year. The Distribution Provider will share the applicable study results with the ISO and any Affected System Operator, if applicable, for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Phase II Interconnection Study report to Interconnection Customer. At the request of Interconnection Customer or at any time Distribution Provider determines that it will not meet the required time frame for completing the Phase II Interconnection Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Phase II Interconnection Study and provide an estimated completion date. If the Distribution Provider is unable to complete the Phase II Interconnection Study, such notice shall provide an explanation of the reasons why additional time is required.

Upon request, Distribution Provider shall provide Interconnection Customer all supporting documentation, workpapers, and relevant pre-Interconnection Request and post-Interconnection Request power, short circuit and stability databases for the Phase II Interconnection Study, subject to confidentiality arrangements consistent with CLGIP Section 12.1.

7.7 Accelerated Phase II Interconnection Study Process.

The Phase II Interconnection Study shall be completed within one hundred fifty (150) Calendar Days following the posting of the initial Interconnection Financial Security under CLGIP Section 8 where the Interconnection Request meets the following criteria: (i) the Interconnection Request was not grouped with any other Interconnection Requests during the Phase I Interconnection Study, and (ii) the Interconnection Customer is able to demonstrate that the general Phase II Interconnection Study timeline under CLGIP Section 7.6 is not sufficient to accommodate the Commercial Operation Date of the Large Generating Facility.

In addition to the above criteria, the Distribution Provider may apply to FERC in coordination with the Interconnection Customer and ISO, as applicable, for a waiver of the timelines in this CLGIP to meet the schedule required by an order,

ruling, or regulation of the Governor of the State of California, the California Public Utilities Commission, or the California Energy Commission.

7.8 Meeting with Distribution Provider and ISO.

Within thirty (30) Calendar Days of providing the final Phase II Interconnection Study report to Interconnection Customer, Distribution Provider, the ISO, any Affected System Operator, if applicable, and Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

7.9 Re-Evaluation of Distribution Upgrades Following Phase II Study.

If an assessment following the issuance of the final Phase II Interconnection Study is required to re-evaluate an Interconnection Customer's required Distribution Upgrades due to a project withdrawal, Distribution Provider shall so notify the Interconnection Customer in writing. Such re-evaluation shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of the re-evaluation shall be borne by the Interconnection Customer being re-evaluated.

7.10 Re-Evaluation of Network Upgrades Following Phase II Study.

Any re-evaluation of required Network Upgrades following issuance of the Phase II Interconnection Study due to project withdrawals shall be performed in accordance with the procedures of the ISO Tariff CLGIP.

Section 8. Interconnection Financial Security

8.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the Distribution Provider:

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the Distribution Provider and in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the Distribution Provider;

- (e) a certificate of deposit in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the Distribution Provider issued by a bank or financial institution that has a credit rating of A or better by Standard and Poor's or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the Distribution Provider may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the Distribution Provider. The Distribution Provider shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this CLGIP Section 8.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this CLGIP Section 8.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the Distribution Provider in an interest-bearing escrow account under subpart (d) of this CLGIP Section 8.1 will accrue to the Interconnection Customer's benefit.

8.2 Initial Posting of Interconnection Financial Security.

On or before ninety (90) Calendar Days after publication of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments.

First, the Interconnection Customer shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen percent (15%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, (ii) \$20,000 per megawatt of electrical output of the Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto, or (iii) \$7,500,00, but in no event less than \$500,000.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of twenty percent (20%) of the total estimated cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this CLGIP Section 8.2 shall result in the Interconnection Request being deemed withdrawn and subject to CLGIP Section 3.7. The Interconnection Customer shall provide the Distribution Provider with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.

8.3 Second and Third Posting of Interconnection Financial Security.

8.3.1 Second Posting of Interconnection Financial Security.

On or before one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study report, the Interconnection Customer shall post two separate Interconnection Financial Security instruments.

First, the Interconnection Customer shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or final Phase II Interconnection Study, whichever is lower, but in no event less than \$500,000.

The Interconnection Customer shall also post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades equals thirty percent (30%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase II Interconnection Study for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

If the start date for Construction Activities of Network Upgrades, Distribution Provider's Interconnection Facilities and Distribution Upgrades on behalf of the Interconnection Customer is prior to one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study report, that start date must be set forth in the Interconnection Customer's CLGIA and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to CLGIP Section 8.3.2 rather than CLGIP Section 8.3.1.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this CLGIP Section 8.3.1 shall constitute grounds for termination of the CLGIA pursuant to CLGIA Article 2.3.

8.3.2 Third Posting of Interconnection Financial Security.

On or before the start of Construction Activities for Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to CLGIP Section 8.3.1 as follows. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred percent (100%) of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Phase I Interconnection Study or Phase II Interconnection Study, whichever is lower, but in no event less than \$500,000. With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred percent (100%) of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this CLGIP Section 8.3.2 shall constitute grounds for termination of the CLGIA pursuant to CLGIA Article 2.3.

8.4 General Effect of Withdrawal of Interconnection Request or Termination of the CLGIA on Interconnection Financial Security.

Except as set forth in CLGIP Section 8.4.1, withdrawal of an Interconnection Request or termination of a CLGIA shall allow the Distribution Provider to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with CLGIP Section 11.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Phase I or Phase II Interconnection Study, whichever is lower, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a CLGIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer for the

Distribution Provider's Interconnection Facilities and Distribution Upgrades and for which the Distribution Provider has not been reimbursed.

8.4.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of CLGIA.

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with CLGIP Section 8.4.2, if the withdrawal of the Interconnection Request or termination of the CLGIA occurs for any of the following reasons:

- (a) **Failure to Secure a Power Purchase Agreement.** At the time of withdrawal of the Interconnection Request or termination of the CLGIA, the Interconnection Customer demonstrates to the Distribution Provider that it has failed to secure an acceptable power purchase agreement for the Energy or capacity of the Large Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.
- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the CLGIA, the Interconnection Customer demonstrates to the Distribution Provider that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Large Generating Facility.
- (c) **Increase in the Cost of Distribution Provider's Interconnection Facilities or Distribution Upgrades.** The Interconnection Customer withdraws the Interconnection Request or terminates the CLGIA based on an increase of: (i) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Provider's Interconnection Facilities; or (ii) more than 30% or \$300,000, whichever is greater, in the estimated cost of Distribution Upgrades allocated to the Interconnection Customer from the Phase I Interconnection Study to the Phase II Interconnection Study. This Section 8.4.1(c) shall not apply if the cause of the cost increase under (i) or (ii) above is the result of a change requested by the Interconnection Customer pursuant to Section 6.6.2 of this CLGIP.
- (d) **Material Change in Interconnection Customer's Interconnection Facilities Created by the Distribution Provider's Change in the Point of Interconnection.** The

Interconnection Customer withdraws the Interconnection Request or terminates the CLGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the Distribution Provider and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where the Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

8.4.2 Schedule for Determining Non-Refundable Portion of the Interconnection Financial Security for Network Upgrades.

8.4.2.1 Up to One Hundred Eighty Days After Final Phase II Interconnection Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under CLGIP Section 8.2 and on or before one hundred eighty (180) Calendar Days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the CLGIA, as applicable, in accordance with CLGIP Section 8.4.1, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under CLGIP Section 8.2 and reimburse the Interconnection Customer in an amount of (i) any posted amount less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

8.4.2.2 Between One Hundred Eighty-One Days and After Final Phase II Interconnection Study Report and the Commencement of Construction Activities.

If, at any time between one hundred eighty-one (181) Calendar Days and after the date of issuance of the final Phase II Interconnection Study report and the commencement of

Construction Activities for either Network Upgrades or Distribution Provider's Interconnection Facilities or Distribution Upgrades, the Interconnection Customer withdraws the Interconnection Request or terminates the CLGIA, as applicable, in accordance with CLGIP Section 8.4.1, the Distribution Provider shall liquidate the Interconnection Financial Security for Network Upgrades under CLGIP Section 8.3 and reimburse the Interconnection Customer in an amount of (i) any posted amounts less fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades (with a maximum of \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal being retained by the Distribution Provider), or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the Distribution Provider will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

8.4.2.3 (Not Used.)

8.4.2.4 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority.

If, at any time after the posting requirement under CLGIP Section 8.3, the Interconnection Customer withdraws the Interconnection Request or terminates the CLGIA, as applicable, in accordance with CLGIP Section 8.4.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer under CLGIP Section 7.5 are also to be financed by one or more other Interconnection Customers, then CLGIP Section 8.4.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the Distribution Provider for Construction Activities.

8.4.2.5 After Commencement of Construction Activities.

Except as otherwise provided in CLGIP Section 8.4.2.4, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the CLGIA by the Interconnection Customer will be treated in accordance with this CLGIP Section 8.4.

8.4.2.6 Notification to ISO and Accounting by Distribution Provider.

The Distribution Provider will notify the ISO within three (3) Business Days of liquidating any Interconnection Financial Security. Within twenty (20) Calendar Days of any liquidating event, the Distribution Provider will provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the ISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the Distribution Provider on behalf of the Interconnection Customer in accordance with this CLGIP Section 8.4. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this CLGIP Section 8.4 shall be treated in accordance with ISO Tariff Section 37.9.4.

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

Prior to executing a CLGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Distribution Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Distribution Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Distribution Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the CLGIP. The E&P Agreement is an optional procedure. 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, Distribution Provider may elect: (i) to take title to the equipment, in which event Distribution Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10. Clustering Large Generator Interconnection Agreement (CLGIA)

10.1 Tender.

Within thirty (30) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer, the Distribution Provider shall tender a draft CLGIA, together with draft appendices. The draft CLGIA shall be in the form of Distribution Provider's FERC-approved form CLGIA, which is in Appendix 4 to this CLGIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

10.2 Negotiation.

Notwithstanding Section 10.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the CLGIA at any time after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection Study report. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft CLGIA for not more than ninety (90) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Phase II Interconnection 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 CLGIA pursuant to Section 10.1 and request submission of the unexecuted CLGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 12.3. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted CLGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the CLGIA, requested filing of an unexecuted CLGIA, or initiated Dispute Resolution procedures pursuant to Section 12.3 within ninety (90) Calendar Days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final CLGIA within fifteen (15) Business Days after the completion of the negotiation process.

10.3 Execution and Filing.

Interconnection Customer shall either: (i) execute two originals of the tendered CLGIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC a CLGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered CLGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted CLGIA, Distribution Provider shall file the CLGIA with FERC,

together with its explanation of any matters as to which Interconnection Customer and Distribution Provider disagree and support for the costs that Distribution Provider proposes to charge to Interconnection Customer under the CLGIA. An unexecuted CLGIA should contain terms and conditions deemed appropriate by Distribution Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted CLGIA, they may proceed pending FERC action.

10.4 Commencement of Interconnection Activities.

If Interconnection Customer executes the final CLGIA, Distribution Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the CLGIA, subject to modification by FERC. Upon submission of an unexecuted CLGIA, Interconnection Customer and Distribution Provider shall promptly comply with the unexecuted CLGIA, subject to modification by FERC.

10.5 Interconnection Customer To Meet Requirements of the Distribution Provider's Interconnection Handbook.

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of the CLGIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the CLGIP shall govern.

Section 11. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades

11.1 Schedule.

Distribution Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades.

11.2 Construction Sequencing.

11.2.1 General.

In general, the sequence of construction of Distribution Upgrades, Stand Alone Network Upgrades or other Network Upgrades for a single Interconnection Request, or Distribution Upgrades or Network Upgrades identified for the interconnection of Generating Facilities associated with multiple Interconnection Requests, shall be determined, to the maximum extent practical, in a manner that accommodates the proposed Commercial Operation Date set forth in the CLGIA of the Interconnection Customer(s)

associated with the Distribution Upgrades, Stand Alone Network Upgrades or other Network Upgrades.

11.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer.

The Distribution Provider shall be responsible for financing and constructing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a CLGIA under this CLGIP, whenever either:

- (i) the Network Upgrades were included in the Base Case for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed CLGIA (or its equivalent predecessor agreement) or unexecuted CLGIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed because such CLGIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or
- (ii) the Network Upgrades were included in the Base Case for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed CLGIA (or its equivalent predecessor agreement) or unexecuted CLGIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of such CLGIA (or its equivalent predecessor agreement).

The obligation under this CLGIP Section 11.2.2 arises only after the Distribution Provider, in coordination with the ISO, determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the Distribution Provider, ISO, and the Interconnection Customer as part of the Phase II Interconnection Study, the Distribution Provider will use Reasonable Efforts to ensure that the construction of such Network Upgrades can accommodate the Interconnection Customer's

proposed Commercial Operation Date. If, despite Reasonable Efforts, it is anticipated that the Network Upgrades cannot be constructed in time to accommodate the Interconnection Customer's proposed Commercial Operation Date, the Interconnection Customer may commit to pay the Distribution Provider any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under this CLGIP Section 11.2.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under CLGIP Section 6.3.

11.2.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider.

An Interconnection Customer with a CLGIA, in order to maintain its In-Service Date, may request that Distribution Provider advance to the extent necessary the completion of Distribution Upgrades and 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 Distribution Provider or approved ISO transmission plan covering the Distribution Provider's service territory, in time to support such In-Service Date. Upon such request, Distribution Provider will use Reasonable Efforts to advance the construction of such Distribution Upgrades and Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Distribution Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, in accordance with the CLGIA, for any expediting costs paid for Network Upgrades.

11.3 Initial Funding of Network Upgrades.

Unless the Distribution Provider elects to fund the full capital for identified Reliability and Delivery Network Upgrades, they shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s) under CLGIP Section 6.4.

Where the Distribution Provider does not elect to fund the full capital for specific Reliability and Delivery Network Upgrades, the Distribution Provider shall be responsible for funding any capital costs for the Reliability and Delivery Network Upgrades that exceed the total cost responsibility for Reliability and Delivery Network Upgrades assigned to the Interconnection Customer(s) under the Phase I Interconnection Studies.

- (a) Where the funding responsibility for any Reliability Network Upgrade or Delivery Network Upgrade has been assigned to a single Interconnection

Customer in accordance with this CLGIP, and the Distribution Provider has elected not to fund the full capital of the Reliability Network Upgrade or Delivery Network Upgrade, the Distribution Provider shall invoice the Interconnection Customer under CLGIA Article 12 up to a maximum amount no greater than that established by the cost responsibility assigned to such Interconnection Customer under CLGIP Section 6.4 for the Reliability Network Upgrade or Delivery Network Upgrade, respectively.

- (b) Where the funding responsibility for a Reliability Network Upgrade has been assigned to more than one Interconnection Customer in accordance with this CLGIP, and the Distribution Provider has elected not to fund the full capital of the Reliability Network Upgrade, the Distribution Provider shall invoice each Interconnection Customer under CLGIA Article 12 for such Reliability Network Upgrade based on the ratio of the maximum megawatt electrical output of each new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed the Generating Facility's Interconnection Request to the aggregate maximum megawatt electrical output of all such new Large Generating Facilities and increases in the generating capacity of existing Generating Facilities assigned responsibility for such Reliability Network Upgrade. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility for Reliability Network Upgrades assigned to that Interconnection Customer under CLGIP Section 6.4.
- (c) Where the funding responsibility for a Delivery Network Upgrade has been assigned to more than one Interconnection Customer in accordance with this CLGIP, and the Distribution Provider has elected not to fund the full capital of the Delivery Network Upgrade, the Distribution Provider shall invoice each Interconnection Customer under CLGIA Article 12 for such Delivery Network Upgrade based on the percentage flow impact of each assigned Large Generating Facility on each Delivery Network Upgrade as determined by the Generation distribution factor methodology used in the On-Peak and Off-Peak Deliverability Assessments performed in the Phase II Interconnection Study. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility for Delivery Network Upgrades assigned to that Interconnection Customer under CLGIP Section 6.4.

Any permissible extension of the Commercial Operation Date of a Large Generating Facility will not alter the Interconnection Customer's obligation to finance Network Upgrades where the Network Upgrades are required to meet the earlier Commercial Operation Date(s) of other Large Generating Facilities that have also been assigned cost responsibility for the Network Upgrades.

11.4 Special Provisions for Affected Systems.

The Interconnection Customer shall enter into an agreement with the owner of the Affected System, as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System as well as the repayment by the owner of the Affected System.

Any repayment by the owner of the Affected System shall be in accordance with FERC Order No. 2003-B (109 FERC ¶ 61,287).

Section 12. Miscellaneous

12.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing.

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.

12.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the CLGIA; or (6) is required, in accordance with Section 12.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the CLGIA. 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.

12.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 12.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 12.1.

12.1.3 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.

12.1.4 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.

12.1.5 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.

12.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the

CLGIA. 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.

12.1.7 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 12.1. 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 12.1, 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 12.1, 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 12.1.

12.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 12.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the CLGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the CLGIA when its is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

12.1.9 Subject to the exception in Section 12.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to

any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this CLGIP 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.

12.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

12.1.11 Distribution Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

12.2 Delegation of Responsibility.

Distribution Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this CLGIP. Distribution Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this CLGIP. 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.

12.3 Disputes.

12.3.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the CLGIA, the CLGIP, 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 resolved in accordance with the Dispute Resolution Procedures set forth in Section 9 of the Tariff.

12.4 Local Furnishing Bonds.

12.4.1 Distribution Providers That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Distribution Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this CLGIA and CLGIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this CLGIA and CLGIP if the provision of such Distribution Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Distribution Provider's facilities that would be used in providing such Interconnection Service.

12.4.2 Alternative Procedures for Requesting Interconnection Service.

If Distribution Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Distribution Provider's Tariff.

12.5 New Distribution Provider.

If Distribution Provider transfers control of its Distribution System to a successor distribution provider during the period when an Interconnection Request is pending, the original Distribution Provider shall transfer to the successor distribution provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this CLGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Distribution Provider shall coordinate with the successor distribution provider to complete any Interconnection Study, as appropriate, that the original Distribution Provider has begun but has not completed. If Distribution Provider has tendered a draft CLGIA to Interconnection Customer but Interconnection Customer has not either executed the CLGIA or requested the filing of an unexecuted CLGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor distribution provider.

APPENDIX 1 to CLGIP

**WHOLESALE DISTRIBUTION ACCESS TARIFF
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY**

Provide two copies of this completed form pursuant to Section 7 of this CLGIP Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Distribution Provider's Distribution System pursuant to a Tariff.
2. This Interconnection Request is for (check one):
_____ A proposed new Large Generating Facility.
_____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. Deliverability Study is performed by the ISO. Requested Deliverability Status is for (check one):
 Full Capacity Deliverability Status
 Energy Only
4. 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;

Project Name:

Project Location:
Street Address:
City, State:
County:
Zip Code:
 - 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;

Maximum megawatt electrical output (Net MW): or
Megawatt increase (Net MW):

c. Type of project and general description of the equipment configuration;

- | | |
|---|---|
| <input type="checkbox"/> Cogeneration | <input type="checkbox"/> Reciprocating Engine |
| <input type="checkbox"/> Biomass | <input type="checkbox"/> Steam Turbine |
| <input type="checkbox"/> Gas Turbine | <input type="checkbox"/> Wind |
| <input type="checkbox"/> Hydro | <input type="checkbox"/> Photovoltaic |
| <input type="checkbox"/> Combined Cycle | |
| <input type="checkbox"/> Other (please describe): | |

General description of the equipment configuration:

d. Proposed In-Service Date, Trial Operation and Commercial Operation Date (Day, Month, and Year) and term of service;

Proposed In-Service Date: / /
Proposed Trial Operation date: / /
Proposed Commercial Operation Date: / /
Proposed Term of Service (years):

e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

Name:
Title:
Company Name:
Street Address:
City, State:
Zip Code:
Phone Number:
Fax Number:
Email Address:
Interconnection
Customer's DUNS Number:

f. Approximate location of the proposed Point of Interconnection (i.e., specify interconnection point, voltage level, and the location of interconnection) ; and

g. Interconnection Customer Data (set forth in Attachment A)

The Interconnection Customer shall provide to the Distribution Provider the technical data called for in CLGIP Appendix 1, Attachment A. Two (2) copies are required.

5. Applicable deposit amount as specified in the CLGIP made payable to Southern California Edison Company. Send check to Distribution Provider along with the:
 1. Appendix 1 to CLGIP (Interconnection Request) for processing.
 2. Attachment A to Appendix 1 (Interconnection Request Large Generating Facility Data).

6. Evidence of Site Exclusivity as specified in the CLGIP and name(s), address(es) and contact information of site owner(s). (check one)
 Is attached to this Interconnection Request
 Deposit in lieu of Site Exclusivity attached, Site Exclusivity will be provided at a later date in accordance with this CLGIP

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

Southern California Edison Company
Director of FERC Compliance Policy and Contracts
P.O. Box 800
Rosemead, CA 91770

Overnight address: 2244 Walnut Grove Avenue, Rosemead, CA 91770

Telefax Number: (626) 302-1152

8. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]
Name:
Title:
Company Name:
Street Address:
City, State:
Zip Code:
Phone Number:
Fax Number:
Email Address:

9. If the Interconnection Customer also requests Distribution Service, additional information and an additional deposit is required in accordance with Section 15.2 of the Tariff.

10. This Interconnection Request is submitted by:

Legal name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

**Attachment A to Appendix 1
Interconnection Request**

**WHOLESALE DISTRIBUTION ACCESS TARIFF
LARGE GENERATING FACILITY DATA**

Provide two copies of this completed form pursuant to Section 7 of CLGIP Appendix 1.

1. Provide two original prints and one reproducible copy (no larger than 36" x 24") of the following:

- A. Site drawing to scale, showing generator location and Point of Interconnection with the Distribution Provider's Distribution System Controlled Grid.
- B. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers. For wind generator farms, the one line diagram should include the distribution lines connecting the various groups of generating units, the generator capacitor banks, the step up transformers, the distribution lines, and the substation transformers and capacitor banks at the Point of Interconnection with the Distribution Provider's Distribution System.

2. Generating Facility Information

- A. Total Generating Facility rated output (kW): _____
- B. Generating Facility auxiliary Load (kW): _____
- C. Project net capacity (kW): _____
- D. Standby Load when Generating Facility is off-line (kW): _____
- E. Number of Generating Units: _____
(Please repeat the following items for each generator)
- F. Individual generator rated output (kW for each unit): _____
- G. Manufacturer: _____
- H. Year Manufactured: _____
- I. Nominal Terminal Voltage: _____
- J. Rated Power Factor (%): _____
- K. Type (Induction, Synchronous, D.C. with Inverter): _____
- L. Phase (3 phase or single phase): _____
- M. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded): _____
- N. Generator Voltage Regulation Range: _____
- O. Generator Power Factor Regulation Range: _____
- P. For combined cycle plants, specify the plant output for an outage of the steam turbine or an outage of a single combustion turbine: _____

3. Synchronous Generator – General Information:

(Please repeat the following for each generator)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current):

- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

4. Excitation System Information

(Please repeat the following for each generator)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 8 below or describe the specific excitation system.
 - (1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
 - (2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
 - (3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
 - (4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
 - (5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
 - (6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
 - (7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
 - (8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.

-
- C. Excitation system response ratio (ASA): _____
 - D. Full load rated exciter output voltage: _____
 - E. Maximum exciter output voltage (ceiling voltage): _____
 - F. Other comments regarding the excitation system? _____
-

5. Power System Stabilizer Information.

(Please repeat the following for each generator. All new generators are required to install PSS unless an exemption has been obtained from WECC. Such an exemption can be obtained for units that do not have suitable excitation systems.)

- A. Manufacturer: _____
- B. Is the PSS digital or analog? _____
- C. Note the input signal source for the PSS?
_____ Bus frequency _____ Shaft speed _____ Bus Voltage
_____ Other (specify source)
- D. Please attach a copy of a block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.
- E. Other comments regarding the PSS?

6. Turbine-Governor Information

(Please repeat the following for each generator)

Please complete Part A for steam, gas or combined-cycle turbines, Part B for hydro turbines, and Part C for both.

- A. Steam, gas or combined-cycle turbines:
 - (1) List type of unit (Steam, Gas, or Combined-cycle): _____
 - (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
 - (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
Low pressure turbine or gas turbine: _____ %
High pressure turbine or steam turbine: _____ %
- B. Hydro turbines:
 - (1) Turbine efficiency at rated load: _____ %
 - (2) Length of penstock: _____ ft
 - (3) Average cross-sectional area of the penstock: _____ ft²

-
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ ft
 - (5) Is the water supply run-of-the-river or reservoir: _____
 - (6) Water flow rate at the typical maximum head: _____ ft³/sec
 - (7) Average energy rate: _____ kW-hrs/acre-ft
 - (8) Estimated yearly energy production: _____ kW-hrs

C. Complete this section for each machine, independent of the turbine type.

- (1) Turbine manufacturer: _____
- (2) Maximum turbine power output: _____ MW
- (3) Minimum turbine power output (while on line): _____ MW
- (4) Governor information:
 - (a) Droop setting (speed regulation): _____
 - (b) Is the governor mechanical-hydraulic or electro-hydraulic (Electro-hydraulic governors have an electronic speed sensor and transducer.)? _____
 - (c) Other comments regarding the turbine governor system?

7. Synchronous Generator and Associated Equipment – Dynamic Models:

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the General Electric PSLF Program Manual and provide the required input data. The manual is available on the GE website at www.gepower.com. Select the following links within the website: 1) Our Businesses, 2) GE Power Systems, 3) Energy Consulting, 4) GE PSLF Software, 5) GE PSLF User's Manual.

There are links within the GE PSLF User's Manual to detailed descriptions of specific models, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. The block diagrams are also available on the CAISO Website.

If you require assistance in developing the models, we suggest you contact General Electric. Accurate models are important to obtain accurate study results. Costs associated with any changes in facility requirements that are due to differences between model data provided by the generation developer and the actual generator test data, may be the responsibility of the generation developer.

8. Induction Generator Data:

- A. Rated Generator Power Factor at rated load: _____
- B. Moment of Inertia (including prime mover): _____
- C. Do you wish reclose blocking? Yes ____, No ____

Note: Sufficient capacitance may be on the line now, or in the future, and the generator may self-excite unexpectedly.

9. Generator Short Circuit Data

For each generator, provide the following reactances expressed in p.u. on the generator base:

- X''1 – positive sequence subtransient reactance: _____
- X''2 – negative sequence subtransient reactance: _____
- X''0 – zero sequence subtransient reactance: _____

Generator Grounding:

- A. _____ Solidly grounded
- B. _____ Grounded through an impedance
Impedance value in p.u on generator base. R: _____ p.u.
X: _____ p.u.
- C. _____ Ungrounded

10. Step-Up Transformer Data

For each step-up transformer, fill out the data form provided in Table 1.

11. Line Data

There is no need to provide data for new lines that are to be planned by the Distribution Provider or ISO. However, for transmission lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage: _____
Line Length (miles): _____
Line termination Points: _____
Conductor Type: _____ Size: _____
If bundled. Number per phase: _____, Bundle spacing: _____ in.
Phase Configuration. Vertical: _____, Horizontal: _____
Phase Spacing (ft): A-B: _____, B-C: _____, C-A: _____
Distance of lowest conductor to Ground: _____ ft
Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
Attach Tower Configuration Diagram
Summer line ratings in amperes (normal and emergency) _____

Resistance (R): _____ p.u.**

Reactance: (X): _____ p.u.**

Line Charging (B/2): _____ p.u.**

** On 100-MVA and nominal line voltage (kV) Base

12. 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:

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: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet 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.

TABLE 1

TRANSFORMER DATA

UNIT _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATED KVA	H Winding	X Winding	Y Winding
Connection (Delta, Wye, Gnd.)	_____	_____	_____
55 C Rise	_____	_____	_____
65 C Rise	_____	_____	_____
RATED VOLTAGE	_____	_____	_____
BIL	_____	_____	_____
AVAILABLE TAPS (planned or existing)	_____	_____	_____
LOAD TAP CHANGER?	_____	_____	_____
TAP SETTINGS	_____	_____	_____
COOLING TYPE : OA_____ OA/FA_____ OA/FA/FA_____ OA/FOA_____			
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H_____ X_____ Y_____ N_____

PERCENT EXCITING CURRENT 100 % Voltage; _____ 110% Voltage_____

Supply copy of nameplate and manufacture's test report when available.

APPENDIX 2 to CLGIP

CLUSTERING LARGE GENERATOR INTERCONNECTION PROCEDURES (CLGIP) RELATING TO THE TRANSITION CLUSTER

Section 1. Objective, Applicability and Definitions.

1.1 Objective and Applicability.

The objective of this Appendix 2 to the Clustering Large Generator Interconnection Procedures (CLGIP) is to implement the requirements for interconnecting to the Distribution Provider's Distribution System those Generating Facilities assigned to the Transition Cluster. All Interconnection Requests assigned to the Transition Cluster shall be deemed to have been assigned to a Queue Cluster Window for purposes of CLGIP Section 1.1 and therefore all provisions of the CLGIP apply to Generating Facilities included in the Transition Cluster, except as set forth herein.

1.2 Definitions.

1.2.1 Definition Rules.

Unless the context otherwise requires, any word or expression defined in the Tariff, shall have the same meaning where used in this Appendix 2 to the CLGIP. Further, unless the context otherwise requires, any word or expression defined in CLGIP Section 1.2 shall have the same meaning where used in this Appendix 2 to the CLGIP.

1.2.2 Special Definitions for this CLGIP Appendix 2.

In this Appendix 2 to the CLGIP, the following words and expressions shall have the meanings set opposite them:

Load-Serving Entity shall mean any entity (or the duly designated agent of such an entity, including, e.g. a scheduling coordinator), including a load aggregator or power marketer; (i) serving End Use Customers within the ISO control area and (ii) that has been granted authority or has an obligation pursuant to California State or local law, regulation, or franchise to sell electric energy to End Use Customers located within the ISO control area or (iii) is a federal power marketing authority that serves retail load.

Serial Study Group shall mean the collection of valid Interconnection Requests where the Interconnection Customer has executed an Interconnection System Impact Study agreement that specifies an original results due date prior to July 1, 2008; or where an Interconnection Customer has a Power Purchase Agreement with a Load Serving Entity

that has been approved or is pending approval by the appropriate regulatory authority as of July 1, 2008.

Transition Cluster shall include those Interconnection Requests that entered the queue prior to August 11, 2008 but do not otherwise qualify for inclusion in the Serial Study Group.

Transition Cluster Interconnection Study Deposit shall mean, for each Interconnection Request in the Transition Cluster other than those subject to Section 3.2 of this Appendix 2 to the CLGIP, the difference between (i) \$250,000 and (ii) the total amount the Interconnection Customer has been charged for Interconnection Studies performed under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement plus the balance of any remaining deposit provided under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement. For an Interconnection Request subject to Section 3.2 of this Appendix 2 to the CLGIP, the amount of the Transition Cluster Interconnection Study Deposit shall be the difference between (i) \$100,000 and (ii) the total amount the Interconnection Customer has been charged for Interconnection Studies performed under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement plus the balance of any remaining deposit provided under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement.

2. Queue Position For the Transition Cluster.

The queue position of any Interconnection Request included in the Transition Cluster shall be deemed to be lower than that of any Interconnection Request included in the Serial Study Group for purposes of performing Interconnection Studies for Large Generating Facilities whose Interconnection Requests are in the Serial Study Group.

3. Requirements to Remain in the Transition Cluster.

3.1 General Requirements for Large Generating Facilities.

Transition Cluster applicants must execute a Clustering Large Generator Interconnection Study Process Agreement within thirty (30) Calendar Days from the effective date of this Appendix 2 to the CLGIP.

An Interconnection Request meeting the criteria for inclusion in the Transition Cluster shall be deemed withdrawn unless the Interconnection Customer provides, within thirty (30) Calendar Days from the effective date of this Appendix 2 to the CLGIP, all of the following: (i) a Transition Cluster Interconnection Study Deposit, (ii) a statement of the requested deliverability status, (iii) a preferred Point of Interconnection and voltage level and all other technical data required by the CLGIP, if not already submitted to the

Distribution Provider, and (iv) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity must be, at a minimum, through the anticipated Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

Section 3.7 of the CLGIP shall not apply to a failure to satisfy the requirements of this Section 3.1 of this Appendix 2 to the CLGIP.

3.2 Special Requirements for Certain Existing Large Generating Facilities.

An Interconnection Customer with an Interconnection Request meeting the criteria for inclusion in the Transition Cluster and relating to a Generating Facility that has achieved Commercial Operation prior to the date of the Interconnection Request, and is seeking to increase the capacity of the Generating Facility by less than 20 MW, will be deemed to have withdrawn its Interconnection Request from the Transition Cluster unless it provides, within thirty (30) Calendar Days from the effective date of this Appendix 2 to the CLGIP, all of the following: (i) a Transition Cluster Interconnection Study Deposit, (ii) a statement of the requested deliverability status, (iii) a preferred Point of Interconnection and voltage level and all other technical data required by the CLGIP, if not already submitted to the Distribution Provider, and (iv) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

Section 3.7 of the CLGIP shall not apply to a failure to satisfy the requirements of this Section 3.2 of this Appendix 2 to the CLGIP.

3.3 Communication of Transition Cluster Interconnection Study Deposit Amount.

The Distribution Provider shall provide the Interconnection Customer with the amount of the Transition Cluster Interconnection Study Deposit that is due pursuant to Section 3.2.3.3 of the CLGIP within five (5) Business Days after the Effective Date of this Appendix 2 to the CLGIP.

3.4 Use of the Transition Cluster Interconnection Study Deposit.

The Transition Cluster Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the Distribution Provider, the ISO, or third parties at the direction of the Distribution Provider or ISO, as applicable, to perform and administer the Interconnection Studies. The Transition Cluster Interconnection Study Deposit is not refundable.

Upon execution of a CLGIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted LGIA, the Distribution Provider shall refund to the Interconnection Customer any portion of the Interconnection Customer's Transition Cluster Interconnection Study Deposit, that exceeds the costs the Distribution Provider or ISO has incurred on the Interconnection Customer's behalf,

including interest from the date of receipt by the Distribution Provider to the date of payment to the Interconnection Customer. The applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the Distribution Provider all costs in excess of the Transition Cluster Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

3.5 Obligation for Study Costs.

The Distribution Provider shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection Studies. The Distribution Provider shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. Whenever the actual cost of performing the Interconnection Studies exceeds the Transition Cluster Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the Distribution Provider issued invoice within thirty (30) Calendar Days. The Distribution Provider shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith.

4. Phase I Interconnection Study.

4.1 Grouping Interconnection Requests and Base Cases.

Interconnection Requests in the Transition Cluster shall be grouped in accordance with CLGIP Section 6.1. Rather than Generation submitted during a Queue Cluster Window, the Interconnection Base Case Data for the Transition Cluster shall reflect the Generation from those Interconnection Requests that satisfy the requirements of Sections 3.1 and 3.2 of this Appendix 2 to the CLGIP.

4.2 Schedule.

The Phase I Interconnection Study, as described in CLGIP Section 6, including the grouping and Interconnection Base Case Data development, for the Transition Cluster shall commence no later than December 1, 2008 or thirty (30) Calendar Days after the effective date of this Appendix 2 to the CLGIP, whichever is later. Results of the Phase I Interconnection Study shall be provided to the Interconnection Customer within two hundred forty (240) Calendar Days after commencement under this Section.

4.3 Results Meeting.

Within sixty (60) Calendar Days after providing the Phase I Interconnection Study report to the Interconnection Customer, the Distribution Provider, the ISO if required, and the

Interconnection Customer shall meet to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

4.4 Cost Allocation Methods for Reliability Network Upgrades in Phase I Interconnection Study.

The estimated costs for Reliability Network Upgrades identified in the Phase I Interconnection Study for the Transition Cluster shall be allocated as set forth in CLGIP Section 6.3.1, except that the estimated costs of short circuit related Reliability Network Upgrades identified through the Phase I Interconnection Study shall be assigned to all Interconnection Requests in that Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

5. Phase II Interconnection Study.

5.1 Phase II Interconnection Study Procedures.

The Phase II Interconnection Study, as described in CLGIP Section 7, for the Transition Cluster shall commence no later than one hundred twenty (120) Calendar Days after publication of the Phase I Interconnection Study report. Results of the Phase II Interconnection Study shall be provided to the Interconnection Customer within three hundred thirty (330) Calendar Days after commencement under this Section. The Phase II Interconnection Study shall be performed pursuant to Section 7 of the CGLIP.

5.2 Financing of Reliability Network Upgrades Identified in Phase II Interconnection Study

The responsibility for financing final Reliability Network Upgrades identified in the Phase II Interconnection Study for the Transition Cluster shall be determined as set forth in CLGIP Section 7.4, except that the responsibility for financing final short circuit related Reliability Network Upgrades identified in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, up to the cost assignment for Reliability Network Upgrades under CLGIP Section 6.3.1 and Section 4.4 of this Appendix 2.

6 Interconnection Financial Security.

The provisions of CLGIP Section 8 shall apply to the Transition Cluster, except that the initial posting of Interconnection Financial Security under CLGIP Section 8.2 in the Tariff shall be required on or before one hundred twenty (120) Calendar Days after publication of the Phase I Interconnection Study report.

APPENDIX 3 to CLGIP

**LARGE GENERATOR
INTERCONNECTION STUDY PROCESS 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 _____, ("Distribution Provider "). Interconnection Customer and Distribution Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

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

WHEREAS, the Interconnection Customer has requested Distribution Provider to perform Interconnection Studies to assess the system impact of interconnecting the Large Generating Facility to the Distribution System, and any Affected Systems and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Distribution Provider's electric system to physically and electrically connect the Large Generating Facility to the Distribution Provider's Distribution System in accordance with Good Utility Practice;

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 Distribution Provider's FERC approved CLGIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies, including any accelerated Interconnection Study, consistent with the CLGIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.

- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 6.6.2 of the CLGIP and modifications to the proposed Commercial Operation Date of the Large Generating Facility permitted by the CLGIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the CLGIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the CLGIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with CLGIP Section 8.2 on or before ninety (90) Calendar Days after publication of the final Phase I Interconnection Study report, except as otherwise provided for in Appendix 2 Section 6 of this CLGIP.

Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay its pro rata share of the actual costs of the Interconnection Study pursuant to section 3.4.1.3 of the CLGIP, except as otherwise provided for in Appendix 2 Section 3.4 of the CLGIP.

- 7.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 8.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities and Distribution Upgrades that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
- 9.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The

Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the Distribution Provider's offices and at its own expense, to audit the Distribution Provider's records as necessary and as appropriate in order to verify costs incurred by the Distribution Provider. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the Distribution Provider, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the Distribution Provider's notification of the final costs of the Interconnection Studies.

- 10.0 In accordance with Section 3.7 of the CLGIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.4.1 and 12.1 of the CLGIP.
- 11.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 4 of the CLGIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.7 of the CLGIP.
- 12.0 Miscellaneous.
- 12.1 Dispute Resolution.
- 12.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the CLGIP.
- 12.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single

arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 12.1.2, the terms of this Section 12.1.2 shall prevail.

12.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

12.1.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

12.2 Confidentiality. Confidential Information shall be treated in accordance with Section 12.1 of the CLGIP.

12.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 12.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 12.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Interconnection System Impact Study Agreement or such Appendix to this Interconnection System Impact Study Agreement, or such Section of the CLGIP or such Appendix to the CLGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Interconnection System Impact Study Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 12.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 12.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

- 12.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or default of this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.
- 12.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 12.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 12.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 12.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 12.13 Reservation of Rights. The Distribution Provider shall each have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 12.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party.

No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

- 12.15 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the other Party of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Party of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

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 Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

**Attachment A To Appendix 3
Interconnection
Study Process Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
PHASE I INTERCONNECTION STUDY**

The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 6.6.2 of the CLGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested (full capacity or energy only) _____

**Attachment B to Appendix 3
Interconnection
Study Process Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER PRIOR TO
COMMENCEMENT OF THE PHASE II
INTERCONNECTION STUDY**

Generating Facility size (MW): _____

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 Distribution Provider station. Number of generation connections: _____

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

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

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

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

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station: _____

Bus length from generation to interconnection station:

Line length from interconnection station to Distribution Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

Is the Large Generating Facility in the Distribution Provider's service area?

____ Yes ____ No Local provider: _____

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

Generator step-up transformer
receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

Level of ISO Grid Deliverability: Choose one of the following:

_____ Energy Only

_____ Full Capacity

APPENDIX 4 to CLGIP

**CLUSTERING LARGE GENERATOR
INTERCONNECTION AGREEMENT (CLGIA)**

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CLUSTERING LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS CLUSTERING LARGE GENERATOR INTERCONNECTION AGREEMENT (“CLGIA” or “Agreement”) is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Large Generating Facility), and Southern California Edison Company, a corporation organized and existing under the laws of the State of California (“Distribution Provider and/or Distribution Owner”). Interconnection Customer and Distribution Provider each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Distribution Provider operates the Distribution System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Distribution Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Distribution System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Clustering Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

Article 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Distribution Provider’s Distribution System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

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

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Distribution Provider's Distribution System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Distribution System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Distribution System to which the Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.

Base Case shall mean data including, but not limited to, base case power flow, short circuit, and stability data bases, underlying load, generation, and transmission facility assumptions, contingency lists, including relevant special protection systems, and transmission diagrams used to perform Phase I Interconnection and Phase II Interconnection Studies. The Base Case may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Base Case shall include transmission facilities as approved by the Distribution Provider or ISO, as applicable, and Distribution Upgrades and Network Upgrades associated with generating facilities in (iv) below and generating facilities that (i) are directly interconnected to the Distribution System or ISO Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to the Distribution System or an Affected System; or (iv) are not interconnected to the Distribution System or ISO Grid, but are subject to a fully executed generator interconnection agreement (or its equivalent predecessor agreement) or for which an unexecuted generator interconnection agreement (or its equivalent predecessor agreement) has been requested to be filed with FERC.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the CLGIA.

Breaching Party shall mean a Party that is in Breach of the CLGIA.

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

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

Clustering Large Generator Interconnection Agreement (CLGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility processed pursuant to the Clustering Large Generator Interconnection Procedures, a *pro forma* version of which is set forth in Appendix 4 to the CLGIP.

Clustering Large Generator Interconnection Procedures (CLGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility set forth in Attachment H of the Distribution Provider's Tariff.

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 an Electric Generating Unit shall mean the date on which an Electric Generating Unit at a Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the CLGIA.

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.

Construction Activities shall mean actions by the Distribution Provider that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the CLGIA.

Delivery Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Grid.

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 Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the CLGIA to the extent necessary.

Distribution Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Distribution Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the CLGIA, including any modifications, additions or upgrades to such facilities and equipment. Distribution Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Distribution Service shall mean the wholesale distribution service provided under the Tariff.

Distribution System shall mean those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide Distribution Service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

Effective Date shall mean the date on which the CLGIA becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Generating Unit shall mean an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

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 Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Distribution Provider's Distribution System, Distribution Provider's Interconnection Facilities or the electric systems of

others to which the Distribution Provider's Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the CLGIA to possess black start capability.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Distribution Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

Full Capacity Deliverability Status shall mean the condition whereby a Large Generating Facility interconnected with the Distribution System, under coincident ISO Control Area peak demand and a variety of severely stressed system conditions, can deliver the Large Generating Facility's full output to the aggregate of load on the ISO Grid, consistent with the ISO's reliability criteria and procedures and the ISO's On-Peak Deliverability Assessment as set forth in Section 6.3.2.1 of the CLGIP.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used 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 Electric Generating Units.

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Distribution Provider, or any Affiliate thereof.

Group Study shall mean the process whereby more than one Interconnection Request is studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

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 Distribution Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Distribution Provider, Distribution Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Distribution Provider's Distribution System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the CLGIA, 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 Distribution Provider's Distribution System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Financial Security shall have the meaning assigned to it in Section 8 of the CLGIP.

Interconnection Handbook shall mean a handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. Distribution Provider's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this CLGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this CLGIA shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the CLGIP, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Distribution Provider's Distribution System.

Interconnection Service shall mean the service provided by the Distribution Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Distribution Provider's Distribution System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the CLGIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study and the Phase II Interconnection Study described in Section 6 and Section 7 of the CLGIP.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the CLGIP applicable to an Interconnection Request submitted in a particular Queue Cluster Window through execution by the parties of a CLGIA, or submission to FERC by Distribution Provider of an unexecuted CLGIA pursuant to Section 10 of the CLGIP.

IRS shall mean the Internal Revenue Service.

ISO shall mean the California Independent System Operator Corporation, a state-chartered, nonprofit, corporation that controls certain transmission facilities of all Participating Transmission Owners and dispatches certain generating units and loads.

ISO Grid shall mean the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's Operational Control.

ISO Tariff shall mean the California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the FERC.

ISO's Large Generator Interconnection Procedures (ISO Tariff CLGIP) shall mean the procedures included in Appendix GG of the ISO Tariff to interconnect a Large Generating Facility directly to the ISO Grid, as such procedures may be modified from time to time, and accepted by the Commission.

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

Large Generator Interconnection Study Process Agreement (LGISPA) shall mean the agreement between the Distribution Customer and the Interconnection Customer for conducting the Interconnection Studies for a proposed Large Generating Facility, a *pro forma* version of which is set forth in Appendix 3 of the CLGIP.

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 CLGIA 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 CLGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Upgrades shall mean Delivery Network Upgrades and Reliability Network Upgrades.

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

Off-Peak Deliverability Assessment shall mean the technical study performed under Section 6.3.2.2 of the CLGIP.

On-Peak Deliverability Assessment shall mean the technical study performed under Section 6.3.2.1 of the CLGIP.

Operational Control shall mean the rights of the ISO under the Transmission Control Agreement and the ISO Tariff to direct the parties to the Transmission Control Agreement how

to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Participating Transmission Owner shall mean an entity which (i) owns, operates, and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (ii) has transferred to the ISO operational control of such facilities and/or entitlements to be made part of the ISO Grid.

Party or Parties shall mean Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

Phase I Interconnection Study shall mean an engineering study conducted by the Distribution Provider, that evaluates the impact of the proposed interconnection on the safety and reliability of the Distribution System, ISO Grid, and, if applicable, an Affected System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff CLGIP. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the CLGIP. The study will also identify the approximate total costs of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted by the Distribution Provider to determine the Point of Interconnection and a list of facilities (including Distribution Provider's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the estimated cost of those facilities, and the estimated time required to interconnect the Generating Facility(ies) with the Distribution System. The portion of the study required to evaluate the impacts on the ISO Grid will be coordinated with the ISO and will be completed in a manner consistent with the ISO Tariff CLGIP.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the CLGIA, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the CLGIA, where the Interconnection Facilities connect to the Distribution Provider's Distribution System.

Pre-Construction Activities shall mean the actions by the Distribution Provider, other than those required by an Engineering and Procurement Agreement under Section 9 of the CLGIP, undertaken prior to Construction Activities in order to prepare for the construction of the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering,

permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

Queue Cluster Window shall mean a period of time specified by the Distribution Provider in which Interconnection Requests will be accepted for processing as set forth in Section 3.3 of the CLGIP.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the CLGIA, 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.

Reliability Network Upgrades shall mean the transmission facilities at or beyond the point where the Distribution Provider's Distribution System interconnects to the ISO Grid, necessary to interconnect one or more Large Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more Large Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the Large Generating Facilities included in the interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with the Applicable Reliability Council's practice and Applicable Reliability Standards, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Results Meeting shall mean the meeting among the Distribution Provider, the Interconnection Customer, and, if applicable, the ISO and other Affected System operators to discuss the results of the Phase I Interconnection Study as set forth in Section 6 of the CLGIP.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Distribution Provider, and if applicable, the ISO, 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 Exclusivity shall mean documentation reasonably demonstrating: (1) For private land: (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility. (2) For Public land, including that controlled or managed by any federal, state or local agency, a

final, non-appealable permit, license, or other right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.

Site Exclusivity Deposit shall mean the cash deposit provided to the Distribution Provider by Interconnection Customers under Section 3.4.1 of the CLGIP as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with Section 3.4.1.4 of the CLGIP.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Distribution Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the CLGIA.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Distribution Provider's Distribution System, the ISO Controlled Grid, and Affected Systems 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 Distribution Provider's Distribution System, the ISO Controlled Grid or on other delivery systems or other generating systems to which the Distribution Provider's Distribution System and Transmission System is directly connected.

Tariff shall mean the Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Control Agreement shall mean ISO FERC Electric Tariff No. 7.

Transmission System shall mean those transmission facilities owned by the Distribution Provider that have been placed under the ISO's Operational Control and are part of the ISO Grid.

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.

Uncontrollable Force shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be

avoided through the exercise of Good Utility Practice. An Uncontrollable Force event does not include acts of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force.

Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This CLGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Distribution Provider shall promptly file this CLGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this CLGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This CLGIA may be terminated by Interconnection Customer after giving Distribution Provider ninety (90) Calendar Days advance written notice, or by Distribution Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this CLGIA in accordance with Article 17.

2.3.3 Suspension of Work. This CLGIA may be deemed terminated in accordance with Article 5.16.

2.3.4 Notwithstanding Articles 2.3.1 and 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this CLGIA, which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this CLGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this CLGIA, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of Distribution Provider's Interconnection Facilities that have not yet been constructed or installed, Distribution Provider shall to the extent possible and with Interconnection Customer's authorization cancel any

pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Distribution Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Distribution Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Distribution Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Distribution Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this CLGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Distribution Upgrades and Network Upgrades for which Distribution Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

- 2.4.2** Distribution Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Distribution Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this CLGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5** **Disconnection.** Upon termination of this CLGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this CLGIA or such non-terminating Party otherwise is responsible for these costs under this CLGIA.
- 2.6** **Survival.** This CLGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this CLGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this CLGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this CLGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

- 3.1 Filing.** Distribution Provider shall file this CLGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this CLGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Distribution Provider with respect to such filing and to provide any information reasonably requested by Distribution Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Distribution System and be eligible to deliver the Large Generating Facility's output using the capacity of the Distribution System to the ISO Grid. To the extent Interconnection Customer wants to receive Interconnection Service, Distribution Provider shall construct facilities identified in Appendices A and C that the Distribution Provider is responsible to construct.
- 4.1.1 Distribution Service Implications.** Interconnection Customer will be eligible to inject power from the Large Generating Facility into Distribution Provider's Distribution System pursuant to the Tariff. The Interconnection Customer may not deliver power over the Distribution Provider's Distribution System absent procuring Distribution Service. The Interconnection Customer must apply for Distribution Service pursuant to Section 15.2 of the Tariff and meet the conditions specified in Section 14 of the Tariff to be eligible for Distribution Service.
- 4.1.2 Transmission Service Implications.** Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the ISO Grid without incurring congestion costs. In the event of transmission constraints on the ISO Grid, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources. The Interconnection Customer shall be solely responsible for completing all of the necessary arrangements required under the ISO Tariff to be eligible to schedule the output of its resource.
- 4.2 Provision of Service.** Distribution Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this CLGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a

Distribution Provider or Distribution Owner, then that Party shall amend the CLGIA and submit the amendment to FERC for approval.

- 4.4 No Distribution Service or Transmission Service.** The execution of this CLGIA does not constitute a request for, nor the provision of, Distribution Service under the Tariff or any transmission service under the ISO Tariff.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this CLGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.
- 5.1.1 Standard Option.** Distribution Provider shall design, procure, and construct Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, using Reasonable Efforts to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the dates set forth in Appendix B, Milestones. Distribution Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Distribution Provider reasonably expects that it will not be able to complete Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades by the specified dates, Distribution Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.
- 5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Distribution Upgrades by the designated dates.

If Distribution Provider subsequently fails to complete Distribution Provider's Interconnection Facilities and Distribution Upgrades by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network

Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Distribution Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Distribution Provider, Distribution Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Distribution Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Distribution Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Distribution Provider is responsible for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Distribution Provider shall assume responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Distribution Provider;

- (2) Interconnection Customer's engineering, procurement and construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Distribution Provider would be subject in the engineering, procurement or construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Distribution Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Distribution Provider a schedule for construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Distribution Provider;
- (5) at any time during construction, Distribution Provider shall have the right to gain unrestricted access to Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Distribution Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Distribution Provider for claims arising from Interconnection Customer's construction of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) Interconnection Customer shall transfer control of Distribution Provider's Interconnection Facilities to the Distribution Provider and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Distribution Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Distribution Provider;
- (10) Distribution Provider shall approve and accept for operation and maintenance Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Distribution Provider “as-built” drawings, information, and any other documents that are reasonably required by Distribution Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Distribution Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Distribution Provider’s Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Distribution Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer’s fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Distribution Provider to Interconnection Customer in the event that Distribution Provider does not complete any portion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, in the aggregate, for which Distribution Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which Distribution Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Distribution Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this CLGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Distribution Provider’s failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Distribution Provider's delay; (2) Distribution Provider’s failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into a CLGIA with Distribution Provider, action or inaction by the ISO, or any cause beyond Distribution Provider’s reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Distribution

Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

- 5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and in accordance with the provisions of Section 4.6.5.1 of the ISO Tariff. Distribution Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Distribution Provider and Distribution Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators of the induction type.
- 5.5 Equipment Procurement.** If responsibility for construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades is to be borne by Distribution Provider, then Distribution Provider shall commence design of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:
- 5.5.1** Distribution Provider has completed the Interconnection Studies pursuant to the Large Generator Interconnection Study Process Agreement;
 - 5.5.2** Distribution Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.5.3** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Distribution Provider shall commence construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades;

- 5.6.3** Distribution Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Distribution Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Distribution Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Distribution Provider of such later date upon which the completion of Distribution Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Distribution Provider's Distribution System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Distribution Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this CLGIA. Distribution Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Distribution Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Distribution Provider shall review such

specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Distribution Provider's Review. Distribution Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Distribution Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Distribution Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Distribution Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10.4 Interconnection Customer to Meet Requirements of the Distribution Provider's Interconnection Handbook. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this CLGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this CLGIA shall govern.

5.11 Distribution Provider's Interconnection Facilities Construction. Distribution Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Distribution Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Distribution Provider's Interconnection Facilities [**include appropriate drawings and relay diagrams**].

Distribution Provider will obtain control for operating and maintenance purposes of Distribution Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. Pursuant to Article 5.2, the ISO will obtain Operational Control of the Stand Alone Network Upgrades prior to the Commercial Operation Date.

- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at no cost to the other Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Distribution System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Distribution System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this CLGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Distribution Provider or Distribution Owner, Distribution Provider or Distribution Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Distribution Provider or Distribution Owner's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades upon such property.
- 5.14 Permits.** Distribution Provider or Distribution Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Distribution Provider or Distribution Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Distribution Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Distribution Provider to construct, and Distribution Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Distribution Upgrades or Network Upgrades required for Interconnection Customer to be interconnected to the Distribution System which are

included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Distribution Provider, to suspend at any time all work by Distribution Provider associated with the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and/or Network Upgrades required under this CLGIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple Generating Facilities, with the condition that Distribution System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Distribution Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Distribution Provider (i) has incurred pursuant to this CLGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Distribution System and Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Distribution Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Distribution Provider shall obtain Interconnection Customer's authorization to do so.

Distribution Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Distribution Provider required under this CLGIA pursuant to this Article 5.16, and has not requested Distribution Provider to recommence the work or has not itself recommenced work required under this CLGIA on or before the expiration of three (3) years following commencement of such suspension, this CLGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Section 2.4 of this CLGIA. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Distribution Provider, if no effective date is specified. The maximum three-year period shall apply to the projected Commercial Operation Date for the Large Generating Facility identified in the initial Interconnection Request, without regard to any subsequent changes to the dates set forth in the Interconnection Request, without regard to the milestone schedule dates set forth in Appendix B hereto or any changes to those dates, and without regard to any other scheduled dates for action affecting the Large Generating Facility, Interconnection Facilities, or Network Upgrades or any changes to those dates.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Distribution Provider for the installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades shall be non-taxable, either as

contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Distribution System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Distribution Provider for Distribution Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Distribution Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Distribution Provider's request, Interconnection Customer shall provide Distribution Provider with a report from an independent engineer confirming its representation in clause (iii), above. Distribution Provider represents and covenants that the cost of Distribution Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Distribution Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Distribution Provider from the cost consequences of any current tax liability imposed against Distribution Provider as the result of payments or property transfers made by Interconnection Customer to Distribution Provider under this CLGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Distribution Provider.

Distribution Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this CLGIA unless (i) Distribution Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Distribution Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Distribution Provider to report payments or property as income subject to taxation; provided, however, that Distribution

Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Distribution Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Distribution Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Distribution Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Distribution Provider upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Distribution Provider, in addition to the amount paid for the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, an amount equal to (1) the current taxes imposed on Distribution Provider ("Current Taxes") on the excess of (a) the gross income realized by Distribution Provider as a result of payments or property transfers made by Interconnection Customer to Distribution Provider under this CLGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Distribution Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Distribution Provider's composite federal and state tax rates at the time the payments or property transfers are received and Distribution Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Distribution Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Distribution Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Distribution Owner pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in

Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Distribution Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Distribution Provider under this CLGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Distribution Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Distribution Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Distribution Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Distribution Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this CLGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Distribution Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Distribution Provider's receipt of payments or property constitutes income that is subject to taxation, Distribution Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Distribution Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Distribution Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest,

including the selection of counsel and compromise or settlement of the claim, but Distribution Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Distribution Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Distribution Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully-grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Distribution Provider for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Distribution Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this CLGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Distribution Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Distribution Provider under the terms of this CLGIA is not taxable to Distribution Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Distribution Provider are not subject to federal income tax, or (d) if Distribution Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Distribution Provider pursuant to this CLGIA, Distribution Provider shall promptly refund to Interconnection Customer the following:

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amounts paid by Interconnection Customer to Distribution Provider for such taxes which Distribution Provider did not submit to the taxing authority, calculated in accordance with the

methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Distribution Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Distribution Provider, any refund or credit Distribution Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Distribution Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Distribution Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Distribution Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Distribution Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Distribution Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities, Distribution Upgrades, and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Distribution Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Distribution Provider for which Interconnection Customer may be required to reimburse Distribution Provider under the terms of this CLGIA. Interconnection Customer shall pay to Distribution Provider on a periodic basis, as invoiced by Distribution Provider, Distribution Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Distribution Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Distribution Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Distribution Provider.

5.17.10 Distribution Owners Who Are Not Distribution Providers. If Distribution Provider is not the same entity as the Distribution Owner, then (i) all references in this Article 5.17 to Distribution Provider shall be deemed also to refer to and to include the Distribution Owner, as appropriate, and (ii) this CLGIA shall not become effective until such Distribution Owner shall have agreed in writing to

assume all of the duties and obligations of Distribution Provider under this Article 5.17 of this CLGIA.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this CLGIA is intended to adversely affect any Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Distribution Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Distribution System, Distribution Provider's Interconnection Facilities, Distribution Upgrades, or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this CLGIA and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Distribution Provider makes to Distribution Provider's Interconnection Facilities or the Distribution System to facilitate the interconnection of a third party to Distribution Provider's Interconnection Facilities or the Distribution System, or to provide transmission service to a third party under Distribution Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection

Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Distribution Provider shall test Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Distribution System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this CLGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 and the Metering Protocol of the ISO Tariff. Unless otherwise agreed by the Parties, Distribution Provider may install additional Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Distribution Provider's option, compensated to, the Point of Interconnection. Interconnection Customer's access to meter data shall be provided in accordance with the ISO Tariff. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-pollled meters or Distribution Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this CLGIA, except in the case that no other means are available on a temporary basis at the option of the Distribution Provider. The check meters shall be subject at all reasonable times to inspection and examination by Distribution Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Distribution Provider Retail Metering.** Distribution Provider may install retail revenue quality meters and associated equipment, pursuant to the Distribution Provider's applicable retail tariffs.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Distribution Provider's Distribution System dispatcher or representative designated by Distribution Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Distribution Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Distribution Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system

paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Distribution Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Distribution Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Distribution Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Distribution Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Distribution Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this CLGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.
- 9.3 Distribution Provider Obligations.** Distribution Provider shall cause the Distribution System and Distribution Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this CLGIA. Distribution Provider may provide operating instructions to Interconnection Customer

consistent with this CLGIA and Distribution Provider's operating protocols and procedures as they may change from time to time. Distribution Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this CLGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this CLGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this CLGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Distribution Provider's Distribution System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Distribution Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators; rather, the requirements of Appendix G shall apply to wind generators.
- 9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Large Generating Facility with the Distribution System, Distribution Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Distribution Provider's voltage schedules shall treat all sources of reactive power interconnected with the Distribution System in an equitable and not unduly discriminatory manner and consistent with the applicable requirements of the ISO Tariff. Distribution Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Distribution System and Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the

specified voltage or power factor, it shall promptly notify the Distribution Provider and the ISO.

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Distribution System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Distribution Provider and the ISO, and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Distribution System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Payment to Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when the ISO requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Distribution Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Distribution Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Distribution System and Transmission System. Distribution Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Distribution Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities. Distribution Provider shall have no obligation to pay Interconnection Customer any costs the Interconnection Customer incurs as the result of being directed by the ISO to reschedule maintenance.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, Distribution Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Distribution Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Distribution System and Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Distribution System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Distribution Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Distribution Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Distribution Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Distribution System and Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Distribution System is designed to automatically activate a load-shed program as required by Applicable Reliability Standards and the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by Applicable Reliability Standards and the Applicable Reliability Council to ensure “ride through” capability of the Distribution System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Distribution Provider in accordance with Good Utility Practice. The term “ride through” as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Distribution System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Distribution Provider shall install at Interconnection Customer’s expense any System Protection Facilities that

may be required on Distribution Provider's Interconnection Facilities, Distribution System, or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Applicable Reliability Council criteria, and Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Distribution Provider's Interconnection Handbook.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Distribution Provider, including, if applicable, the requirements of the Distribution Provider's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Distribution Provider's Interconnection Handbook, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Distribution System not otherwise isolated by Distribution Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Distribution System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Distribution System at a site selected upon mutual agreement (not to be

unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Distribution System could adversely affect the Large Generating Facility.

- 9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or Applicable Reliability Council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Applicable Reliability Council standard, the alternative Applicable Reliability Standard or Applicable Reliability Council standard shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Distribution System and shall be used for no other purpose.
- 9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Distribution Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Distribution Provider, all third party users, and Interconnection Customer, in accordance with

Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Distribution Provider's Distribution System and Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 Distribution Provider Obligations.** Distribution Provider shall maintain the Distribution System, Transmission System and Distribution Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this CLGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this CLGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Distribution Provider's Interconnection Facilities.

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Distribution Provider's Interconnection Facilities.** Distribution Provider or Distribution Owner shall design, procure, construct, install, own and/or control the Distribution Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Distribution Provider or Distribution Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Distribution Provider or Distribution Owner elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Distribution Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Distribution Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Distribution Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Distribution Provider or Affected System Operator will continue to provide

payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Distribution Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Special Provisions for Affected Systems. Unless Distribution Provider provides, under the CLGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this CLGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 8 of the CLGIP in a manner acceptable under Section 8 of the CLGIP.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this

CLGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

- 12.2 Final Invoice.** Within twelve (12) months after completion of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades, Distribution Provider shall provide an invoice of the final cost of the construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Distribution Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this CLGIA.
- 12.4 Disputes.** In the event of a billing dispute between Distribution Provider and Interconnection Customer, Distribution Provider shall continue to provide Interconnection Service under this CLGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Distribution Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Distribution Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, Distribution Provider's Interconnection Facilities or the Transmission Systems of others to which the Distribution System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered

Emergency Conditions; provided, that Interconnection Customer is not obligated by this CLGIA to possess black start capability.

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this CLGIA.
- 13.3 Notice.** Distribution Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Distribution Provider's Interconnection Facilities, Distribution System or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Distribution Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Distribution System, Transmission System or Distribution Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Distribution Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Distribution Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Distribution Provider or otherwise regarding the Distribution System.
- 13.5 Distribution Provider Authority.**

13.5.1 General. Distribution Provider may take whatever actions or inactions with regard to the Distribution System and Transmission System or Distribution Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Distribution System and Transmission System or Distribution Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Distribution Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Distribution Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection

Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Distribution Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Distribution Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the ISO pursuant to the ISO Tariff. When Distribution Provider can schedule the reduction or disconnection in advance, Distribution Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Distribution Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Distribution Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Distribution System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the CLGIA and the CLGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Distribution System and Distribution Provider's Interconnection Facilities. Distribution Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this CLGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this CLGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this CLGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this CLGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This CLGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this CLGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this CLGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Uncontrollable Force

16.1 Uncontrollable Force.

16.1.1 Economic hardship is not considered an Uncontrollable Force event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Uncontrollable Force. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of an Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Uncontrollable Force, the time and date when the Uncontrollable Force occurred and when the Uncontrollable Force is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force as defined in this CLGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this

CLGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this CLGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this CLGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this CLGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

18.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional

attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this CLGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this CLGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this CLGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this CLGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this CLGIA.
- 18.3.9** Within ten (10) days following execution of this CLGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this CLGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this CLGIA.

Article 19. Assignment

19.1 Assignment. This CLGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this CLGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this CLGIA; and provided further that Interconnection Customer shall have the right to assign this CLGIA, without the consent of Distribution Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Distribution Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Distribution Provider of the date and particulars of any such exercise of assignment right(s), including providing the Distribution Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this CLGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this CLGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this CLGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Distribution

Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this CLGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this CLGIA, and for a period of three (3) years after the expiration or termination of this CLGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this CLGIA; or (6) is required, in accordance with Article 22.1.7 of the CLGIA, 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 CLGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this CLGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this CLGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this CLGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose.

Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this CLGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this CLGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this CLGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the CLGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this CLGIA

("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this CLGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

24.1 Information Acquisition. Distribution Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Distribution Provider. The initial information submission by Distribution Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Distribution System and Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Distribution Provider shall provide Interconnection Customer a status report on the construction and installation of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the

activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the CLGIP. It shall also include any additional information provided to Distribution Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Distribution Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Distribution Provider pursuant to the Interconnection Study Agreement between Distribution Provider and Interconnection Customer, then Distribution Provider will conduct appropriate studies to determine the impact on Distribution Provider Distribution System and Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Trial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Large Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Generating Facility to verify proper operation of the Large Generating Facility’s automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Distribution Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, Interconnection Customer shall provide Distribution Provider any information changes due to equipment replacement, repair, or adjustment. Distribution Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Distribution Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this CLGIA; and (ii) carry out its obligations and responsibilities under this CLGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this CLGIA.
- 25.2 Reporting of Non-Uncontrollable Force Events.** Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this CLGIA for a reason other than an Uncontrollable Force event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this CLGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this CLGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this CLGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Distribution Provider's efforts to allocate responsibility for interruption or reduction of generation on the Distribution System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this CLGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades shall be subject to audit for a period of twenty-four months following Distribution Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this CLGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this CLGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this CLGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this CLGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this CLGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Distribution Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this CLGIA. Any applicable obligation imposed by this CLGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this CLGIA or its performance, such Party (the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this CLGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this CLGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this CLGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this CLGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this CLGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this CLGIA, to become a Party hereto and to perform its obligations hereunder. This CLGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this CLGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this CLGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this CLGIA, and it will provide to any Governmental Authority notice of any actions under this CLGIA that are required by Applicable Laws and Regulations.

Article 29. [Reserved]

Article 30. Miscellaneous

- 30.1 Binding Effect.** This CLGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this CLGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this CLGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This CLGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this CLGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this CLGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this CLGIA or such Appendix to this CLGIA, or such Section to the CLGIP or such Appendix to the CLGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this CLGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 30.4 Entire Agreement.** This CLGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this CLGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this CLGIA.
- 30.5 No Third Party Beneficiaries.** This CLGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver. The failure of a Party to this CLGIA to insist, on any occasion, upon strict performance of any provision of this CLGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this CLGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this CLGIA. Termination or Default of this CLGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Distribution Provider. Any waiver of this CLGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this CLGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this CLGIA.

30.8 Multiple Counterparts. This CLGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this CLGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this CLGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this CLGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. Distribution Provider shall have the right to make a unilateral filing with FERC to modify this CLGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this CLGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this CLGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This CLGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this CLGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Distribution Provider or Distribution Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

Appendix A to CLGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) **[insert Interconnection Customer's Interconnection Facilities]:**

(b) **[insert Distribution Provider's Interconnection Facilities]:**

2. Network Upgrades:

(a) **[insert Stand Alone Network Upgrades]:**

(b) **[insert Other Network Upgrades]:**

3. Distribution Upgrades:

Appendix B to CLGIA

Milestones

Appendix C to CLGIA
Interconnection Details

Appendix D to CLGIA

Security Arrangements Details

Infrastructure security of Distribution System and Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Distribution System reliability and operational security. FERC will expect the ISO, all transmission providers, market participants, and interconnection customers interconnected to the Distribution System and Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to CLGIA
Commercial Operation Date

This Appendix E is a part of the CLGIA between Distribution Provider and Interconnection Customer.

[Date]

[Distribution Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. ____.
This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. ____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to CLGIA

Addresses for Delivery of Notices and Billings

Notices:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Distribution Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G to CLGIA

**Interconnection Customer's Proportional Share of Costs of Network Upgrades for
Applicable Project Group**

Appendix H to CLGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this CLGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

All wind generating plants subject to FERC Order No. 661 must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Distribution Provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the electric system. A wind generating plant shall remain interconnected during such a fault on the electric system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing

generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this CLGIA, if the Distribution Provider's Interconnection Studies shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Distribution Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection Studies shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Distribution Provider to protect system reliability. The Distribution Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and electric system reliability in its area.