

ATTACHMENT I

GENERATOR

INTERCONNECTION PROCEDURES (GIP)

Tariff Record Proposed Effective Date: 05/30/2018
Version Number: 11.0.0
Option Code: A

Docket No. ER18-1248-002
Effective Date: 05/30/2018
Version 11.0.0

TABLE OF CONTENTS

	Page No.
Section 1. Objectives and Applicability	
1.1 Objectives	
1.2 Applicability	
Section 2. Definitions	
Section 3. General Provisions Applicable to All Interconnection Requests	
3.1 Pre-Application	
3.2 Interconnection Requests	
3.3 Interconnection Service	
3.3.1 The Product	
3.3.2 No Applicability to Transmission Service or Distribution Service	
3.3.3 Roles and Responsibilities	
3.3.3.1	
3.3.3.2	
3.3.3.3 Delegation of Responsibility	
3.3.3.4	
3.4 Comparability	
3.5 Base Case Data	
3.6 Internet Posting	
3.7 Coordination with Affected Systems	
3.8 Capacity of the Generating Facility	
3.9 Proposed Commercial Operation Date	
3.10 Transferability of Interconnection Request	
3.11 Withdrawal	
3.12 Reactive Power Requirements for Existing Non-Synchronous Generators	
3.13 Standards for Inverter Based Generating Facilities	
Section 4. Cluster Study Process	
4.1 Timing for Submitting Interconnection Requests	
4.2 Processing of Interconnection Request	
4.2.1 Initiating an Interconnection Request	
4.2.1.1 Use of Interconnection Study Deposit	
4.2.1.2 Use of Site Exclusivity Deposit	
4.2.2 Validation of Interconnection Request	
4.2.2.1 Acknowledgment of Interconnection Request	
4.2.2.2 Deficiencies in Interconnection Request	
4.3 Scoping Meeting	
4.4 Generator Interconnection Study Process Agreement	
4.5 Interconnection Studies	
4.5.1 Grouping Interconnection Requests	
4.5.2 The Interconnection Studies	

4.5.3	Scope and Purpose of the Phase I Interconnection Study...
4.5.4	Identification of and Cost Allocation Methods for Network Upgrades and Distribution Upgrades in Phase I Interconnection Study
4.5.4.1	Reliability Network Upgrades
4.5.4.2	Delivery Network Upgrades.....
4.5.4.2.1	The On-Peak Deliverability Assessment.....
4.5.4.2.2	The Off-Peak Deliverability Assessment
4.5.4.3	Distribution Upgrades
4.5.5	Costs Identified in the Phase I Interconnection Study Report Form the Basis of Initial Interconnection Financial Security Posting
4.5.6	Phase I Interconnection Study Procedures.....
4.5.7	Phase I Interconnection Study Results Meeting
4.5.7.1	Commercial Operation Date.....
4.5.7.2	Modifications.....
4.5.7.3	Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Calculation of Initial Financial Security Posting.....
4.5.7.4	Revisions and Addenda to Final Interconnection Study Reports
4.5.7.4.1	Substantial Error or Omissions: Revised Study Report
4.5.7.4.2	Other Errors or Omissions: Addendum.....
4.5.7.4.3	Only Substantial Errors or Omissions Adjust Posting Dates
4.6	Phase II Interconnection Study
4.6.1	Activities in Preparation for Phase II Interconnection Study
4.6.2	Full Capacity Deliverability Status or Partial Capacity Deliverability Status Options for Interconnection Customers in Queue Cluster 5 and Subsequent Queue Clusters
4.6.3	Scope of the Phase II Interconnection Study.....
4.6.4	Phase II Interconnection Study Procedures.....
4.6.5	Coordination of the Phase II Interconnection Study with the ISO's Transmission Planning Process.....
4.6.6	Cost Responsibility for Distribution Upgrades
4.6.7	Cost Responsibility for Network Upgrades
4.6.7.1	Cost Responsibility for Reliability Network Upgrades
4.6.7.2	Cost Responsibility for Delivery Network Upgrades.....
4.6.7.3	Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings
4.6.8	Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer
4.6.9	Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed.....
4.6.10	Results Meeting with Distribution Provider and ISO
4.6.11	Re-Evaluation of Distribution Upgrades Following Phase II Study

4.6.12	Re-Evaluation of Network Upgrades Following Phase II Study	
4.6.13	Allocation Process for TP Deliverability for Queue Cluster 5 and Subsequent Queue Clusters	
4.6.13.1	Consequences of Failure to Retain TP Deliverability.....	
4.7	Additional Deliverability Assessment Options.....	
4.7.1	Annual Full Capacity Deliverability Option	
4.7.1.1	Study Costs	
4.8	Interconnection Financial Security	
4.8.1	Types of Interconnection Financial Security.....	
4.8.2	Initial Posting of Interconnection Financial Security.....	
4.8.2.1	Interconnection Financial Security Posting Amounts For Queue Cluster 4.....	
4.8.2.2	Interconnection Financial Security Posting Amounts for Queue Cluster 5 and Subsequent Queue Clusters	
4.8.2.3	Consequences for Failure to Post	
4.8.2.4	Timing of Notice to the Distribution Provider	
4.8.2.5	Effect of Decrease in Output on Initial Posting Requirement	
4.8.3	Second Posting of Interconnection Financial Security	
4.8.3.1	Interconnection Financial Security Posting Amounts For Queue Cluster 4.....	
4.8.3.2	Interconnection Financial Security Posting Amounts for Queue Cluster 5 and Subsequent Queue Clusters	
4.8.3.3	Early Commencement of Construction Activities	
4.8.3.4	Consequences for Failure to Post	
4.8.4	Third Posting of Interconnection Financial Security.....	
4.8.4.1	Interconnection Financial Security Posting Amounts For Queue Cluster 4.....	
4.8.4.2	Interconnection Financial Security Posting Amounts for Queue Cluster 5 and Subsequent Queue Clusters	
4.8.4.3	Consequences for Failure to Post	
4.8.5	General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security ..	
4.8.5.1	Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA.....	
4.8.5.2	Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades	
4.8.5.2.1	Withdrawal Between the First Posting and the Deadline for the Second Posting	
4.8.5.2.2	Withdrawal Between the Second Posting and the Commencement of Construction Activities.....	
4.8.5.2.3	Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority.....	

	4.8.5.2.4	After Commencement of Construction Activities	
	4.8.5.2.5	Notification to ISO and Accounting by Distribution Provider.....	
	4.8.5.3	Adjusting Network Upgrade Postings Following Reassessment Process	
4.9		Generator Interconnection Agreement (GIA).....	
	4.9.1	Tender	
	4.9.2	Negotiation.....	
Section 5.		Independent Study Process	
	5.1	Timing for Submitting Interconnection Requests	
	5.1.1	
	5.2	Processing of Interconnection Request	
	5.2.1	Initiating an Interconnection Request	
	5.2.1.1	Use of Interconnection Study Deposit	
	5.2.1.2	Use of Site Exclusivity Deposit.....	
	5.3	Validation of Interconnection Request	
	5.3.1	Acknowledgment of Interconnection Request.....	
	5.3.2	Deficiencies in Interconnection Request	
	5.4	Criteria for Independent Study Process Eligibility	
	5.5	Electrical Independence Test	
	5.5.1	The ISO’s Determination of Electrical Independence for the ISO Grid	
	5.5.2	The Distribution Provider’s Evaluation of Electrical Independence for the Distribution System	
	5.5.3	Timing of Electrical Independence Test and Deemed Withdrawal Due to Failure of Electrical Independence Test	
	5.5.3.1	
	5.6	Impact of a Request for Full Capacity Deliverability or Partial Capacity Deliverability Status On The Independent Study Process	
	5.7	Scoping Meeting.....	
	5.8	Interconnection Studies	
	5.8.1	Interconnection System Impact Study	
	5.8.1.1	Scope of the Interconnection System Impact Study	
	5.8.1.2	Timing of the Interconnection System Impact Study Results	
	5.8.1.3	Revisions and Addenda to Final Interconnection Study Reports	
	5.8.1.3.1	Substantial Error or Omissions: Revised Study Report	
	5.8.1.3.2	Other Errors or Omissions: Addendum	
	5.8.1.3.3	Only Substantial Errors or Omissions Adjust Posting Dates	
	5.8.1.4	Interconnection System Impact Study Results Meeting...	
	5.8.1.5	Initial Posting of Interconnection Financial Security	
	5.8.1.6	Modifications	
	5.8.2	Interconnection Facilities Study	
	5.8.2.1	Scope and Purpose of the Interconnection Facilities	

	Study	
	5.8.2.2 Waiver of the Interconnection Facilities Study	
	5.8.2.3 Timing of the Interconnection Facilities Study	
	5.8.2.4 Interconnection Facilities Study Results Meeting.....	
	5.8.2.5 Second and Third Postings of Interconnection Financial Security	
	5.8.2.6 Deliverability Assessment.....	
	5.8.2.7 Extensions of Commercial Operation Date	
	5.8.2.8 Financing of Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades	
	5.8.2.9 Cost Responsibility For Delivery Network Upgrades.....	
5.9	Interconnection Financial Security	
	5.9.1 Types of Interconnection Financial Security.....	
	5.9.2 Initial Posting of Interconnection Financial Security.....	
	5.9.3 Second Posting of Interconnection Financial Security	
	5.9.4 Third Posting of Interconnection Financial Security.....	
	5.9.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security ..	
	5.9.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA.....	
	5.9.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades	
	5.9.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting	
	5.9.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities.....	
	5.9.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority	
	5.9.5.2.4 After Commencement of Construction Activities	
	5.9.5.2.5 Notification to ISO and Accounting by Distribution Provider.....	
	5.9.6 Maximum Cost Responsibility for Interconnection Customers	
5.10	Generator Interconnection Agreement (GIA).....	
	5.10.1 Tender	
	5.10.2 Negotiation.....	
Section 6.	Fast Track Process.....	
6.1	Eligibility and Timing for Submitting Interconnection Requests	
	6.1.1 Eligibility.....	
	6.1.2 Timing For Submitting Interconnection Requests	
6.2	Interconnection Request.....	
6.3	Site Exclusivity	
6.4	Initial Review.....	

6.5	Screens	
6.6	
6.7	
6.8	
6.9	Customer Options Meeting	
6.10	Supplemental Review.....	
6.11	
6.12	Modification of the Interconnection Request	
6.13	Generator Interconnection Agreement (GIA).....	
6.13.1	Tender	
6.13.2	Negotiation.....	
Section 7.	Under 10 kW Inverter Process	
7.1	Applicability of Under 10 kW Inverter Process.....	
7.2	Timing for Submitting Interconnection Requests	
Section 8.	Engineering & Procurement ('E&P') Agreement	
Section 9.	Generator Interconnection Agreement (GIA).....	
9.1	Execution and Filing.....	
9.2	Commencement of Interconnection Activities	
9.3	Interconnection Customer To Meet Requirements of the Distribution Provider's Interconnection Handbook.....	
Section 10.	Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades	
10.1	Schedule	
10.2	Construction of Network Upgrades	
10.3	Construction Sequencing.....	
10.3.1	General.....	
10.3.2	Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer.....	
10.3.3	Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider	
10.4	Initial Funding of Network Upgrades.....	
10.4.1	Initial Funding of Network Upgrades for Interconnection Requests in the Cluster Study Process.....	
10.4.2	Initial Funding of Network Upgrades for Interconnection Requests in the Independent Study Process.....	
10.4.3	Initial Funding of Network Upgrades for Interconnection Requests in the Fast Track Process.....	
10.4.4	Effect of Extension of Commercial Operation Date on Funding Responsibility	

10.5 Special Provisions for Affected Systems

Section 11. Miscellaneous.....

11.1 Confidentiality.....

11.1.1 Scope.....

11.1.2 Release of Confidential Information

11.1.3 Rights

11.1.4 No Warranties

11.1.5 Standard of Care.....

11.1.6 Order of Disclosure.....

11.1.7 Remedies

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

11.2 Disputes

11.2.1 Submission.....

11.3 Local Furnishing Bonds

**11.3.1 Distribution Providers That Own Facilities Financed
by Local Furnishing Bonds**

**11.3.2 Alternative Procedures for Requesting Interconnection
Service**

11.4 New Distribution Provider

Appendix 1 – Interconnection Request for a Generating Facility

**Appendix 2 – Procedures for Transitioning Interconnection Requests submitted Prior to
the Effective Date of the Generator Interconnection Procedures**

**Appendix 3 – Generator Interconnection Study Process Agreement for the Cluster Study
Process**

**Appendix 4 – Independent Study Process Study Agreement for the Independent Study
Process**

**Appendix 5 – Generator Interconnection Agreement for a Generating Facility
Interconnecting Under the Cluster Study Process**

**Appendix 6 - Generator Interconnection Agreement for a Generating Facility
Interconnecting Under the Independent Study Process**

**Appendix 7 – Generator Interconnection Agreement for a Generating Facility
Interconnecting Under the Fast Track Process**

Appendix 8 – Certification Codes and Standards

Appendix 9 – Certification of Small Generator Equipment Packages

**Appendix 10 – Application, Procedures, and Terms and Conditions for Interconnecting a
Certified Inverter-Based Small Generating Facility No Larger than 10 kW**

GENERATOR INTERCONNECTION PROCEDURES (GIP)

Section 1. Objectives and Applicability

1.1 Objectives

The objective of this GIP is to implement the requirements for Generating Facility interconnections to the Distribution System. This GIP applies to all Generating Facilities, regardless of size. GIP Sections 2, 3 and 8-11 are general provisions applicable to all Interconnection Requests. GIP Sections 4, 5, 6, and 7 apply to Interconnection Requests submitted under the Cluster Study Process, the Independent Study Process, the Fast Track Process, and the Under 10 kW Inverter Process, respectively.

1.2 Applicability

The applicability of each process is as follows:

The Cluster Study Process is available to any Interconnection Customer that (1) is proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, (2) is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, or (3) is exercising the option to seek Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7. The Cluster Study Process shall be used by an Interconnection Customer if its Generating Facility (1) does not qualify for the Independent Study Process, the Fast Track Process, or the Under 10 kW Inverter Process; (2) does not pass the Electrical Independence Test under the Independent Study Process; or (3) is certified but did not pass the Fast Track Process or the Under 10 kW Inverter Process.

The Independent Study Process is available to any Interconnection Customer that is either proposing to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System or is seeking to increase the capacity of a Generating Facility that has achieved Commercial Operation, and that is electrically independent of Interconnection Requests from any earlier-queued Generating Facilities.

The Fast Track Process is available to any Interconnection Customer proposing to interconnect a proposed certified Generating Facility with the Distribution Provider's Distribution System that meets the eligibility requirements of GIP Section 6.1.1 and that meets the codes, standards, and certification requirements of Appendices 8 and 9 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

The Under 10 kW Inverter Process is available to any Interconnection Customer proposing to interconnect a proposed certified inverter-based Generating Facility no larger than 10 kilowatts (kW).

The procedures relevant to the Transition Process, as applicable, for interconnection requests transitioning from the Clustering Large Generator Interconnection Procedures (Attachment H to the Tariff) and the Small Generator Interconnection Procedures (Attachment G to the Tariff) to the processes set forth in this GIP are detailed in Appendix 2 to the GIP.

Section 2. Definitions

Terms used in this GIP with initial capitalization shall have the meanings set for below. The singular of any definition shall include the plural and the plural shall include the singular. If a term with initial capitalization used herein is not defined, such term shall have the meanings ascribed to such term in Section 1 of the Tariff.

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.

Annual Full Capacity Deliverability Study shall mean the annual deliverability study performed by the ISO described in GIP Section 4.7, under which a Generating Facility previously studied as Energy-Only Deliverability Status will have an option to determine whether it can be designated for Full Capacity Deliverability Status or Partial Capacity Deliverability Status using available transmission capacity.

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.

Area Deliverability Constraint shall mean a Transmission System operating limit that either (a) would constrain the deliverability of a substantial number of generators if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to additional generating facilities in one or more specified geographic or electrical areas of the ISO Grid in a total amount that is greater than the TP Deliverability for those areas; (b) constrains a quantity of generation in a local area of the grid that is larger than the generation amount identified in the applicable transmission planning process portfolio for the entire portfolio area; or (c) constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve an Area Deliverability Constraint.

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 the 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 GIA.

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

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

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

Cluster Application Window shall mean the time period for submitting Interconnection Requests under the Cluster Study Process as set forth in GIP Section 4.1.

Cluster Study Process shall mean the interconnection study process set forth in GIP Section 4.

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.

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 the 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.

CPUC shall mean the California Public Utilities Commission or its successor.

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

Deliverability shall mean the annual Net Qualifying Capacity (as defined in the ISO Tariff) of a Generating Facility, as verified through a Deliverability Assessment and measured in MW, which specifies the amount of resource adequacy capacity the Generating Facility is eligible to provide.

Deliverability Assessment(s) shall mean an evaluation performed by the ISO pursuant to the ISO's On-Peak Deliverability Assessment posted on the ISO's website, to determine if a Generating Facility or a group of Generating Facilities could provide energy to the ISO Grid and be delivered to the aggregate of load on the ISO Grid at peak load, under a variety of severely stressed conditions as further described in GIP Section 4.5.4.2.

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. Delivery Network Upgrades may be further classified as Local Delivery Network Upgrades or Area Delivery Network Upgrades.

Dispute Resolution shall mean the applicable 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 GIA 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 the GIA, 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 GIA 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.

Electrical Independence Test shall mean the test set forth in GIP Section 5.5 used to determine eligibility for the Independent Study Process.

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 GIA to possess black start capability.

Energy-Only Deliverability Status shall mean a condition on the ISO Grid elected by an Interconnection Customer for a Generating Facility interconnected to Distribution System, the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Generating Facility will be deemed to have a Net Qualifying Capacity (as defined in the ISO Tariff) of zero and, therefore, cannot be considered to be a Resource Adequacy Resource (as defined in the ISO Tariff).

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 and Regulations relating to pollution or protection of the environment or natural resources.

Fast Track Process shall mean the interconnection study process set forth in GIP Section 6.

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 entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that could be as large as its Qualifying Capacity (as defined in the ISO Tariff) and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO.

Generating Facility shall mean Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple Electric Generating Units.

Generator Interconnection Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility processed pursuant to the GIP, *pro forma* versions of which are set forth in Appendix 5 to the GIP for Interconnection Requests under the Cluster Study Process, Appendix 6 to the GIP for Interconnection Requests under the Independent Study Process, Appendix 7 to the GIP for Interconnection Requests under the Fast Track Process, and Appendix 10 to the GIP for Interconnection Requests under the Under 10 kW Inverter Process. For an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version will be the CPUC-approved form Rule 21 GIA.

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

Generator Interconnection Study Process Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Cluster Study Process, a *pro forma* version of which is set forth in Appendix 3 of the GIP.

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 are 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.

Independent Study Process shall mean the interconnection study process set forth in GIP Section 5.

Independent Study Process Study Agreement shall mean the agreement entered into by the Interconnection Customer and the Distribution Provider which sets forth the Parties' agreement to perform Interconnection Studies under the Independent Study Process, a *pro forma* version of which is set forth in Appendix 4 to the GIP.

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 the GIA, 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 Facilities Study shall mean a study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process to determine a list of facilities (including Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those

facilities, and the time required to interconnect the Generating Facility with the Distribution Provider's Distribution System. The scope of the study is defined in GIP Section 5.8.2.1.

Interconnection Financial Security shall mean any of the financial instruments listed in GIP Sections 4.8.1 and 5.9.1 provided by the Interconnection Customer to comply with its obligations under the GIP or the GIA.

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 Generator Interconnection Procedures (GIP) and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the GIP or Appendix 10 to the GIP, as applicable, 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, or to change the deliverability status of a Generating Facility previously studied as having Energy-Only Deliverability Status.

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 GIA and, if applicable, the Distribution Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Phase I Interconnection Study, the Phase II Interconnection Study, the Interconnection System Impact Study and the Interconnection Facilities Study.

Interconnection Study Cycle shall mean all requirements, actions, and respective obligations of the Distribution Provider and Interconnection Customer under the Cluster Study Process of the GIP applicable to an Interconnection Request submitted in a particular Cluster Application Window.

Interconnection Study Deposit shall mean the cash deposit provided to the Distribution Provider under GIP Sections 4.2.1 or 5.2.1 as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies.

Interconnection System Impact Study shall mean an engineering study conducted by the Distribution Provider for an Interconnection Customer under the Independent Study Process that

evaluates the impact of the proposed interconnection on the safety and reliability of Distribution Provider's Distribution System and, if applicable, an Affected System. The scope of the study is defined in GIP Section 5.8.1.1.

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 Generator Interconnection Procedures (ISO Tariff GIP) shall mean the procedures included in either Appendix Y or Appendix DD of the ISO Tariff to interconnect a 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.

Local Deliverability Constraint shall mean a Transmission System operating limit that would be exceeded if the ISO were to assign Full Capacity Deliverability Status or Partial Capacity Deliverability Status to one or more additional Generating Facilities interconnecting to the ISO Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrades shall mean a transmission upgrade or addition identified by the ISO to relieve a Local Deliverability Constraint.

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 GIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified 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 GIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Upgrades shall mean 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 GIA or its performance.

Off-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.2.

On-Peak Deliverability Assessment shall mean the technical study performed under GIP Section 4.5.4.2.1.

Partial Capacity Deliverability Status entitles a Generating Facility interconnected with the Distribution System to a Net Qualifying Capacity (as defined in the ISO Tariff) amount on the ISO Grid that cannot be larger than a specified MW amount of its Qualifying Capacity (as defined in the ISO Tariff), and may be less pursuant to the assessment of its Net Qualifying Capacity by the ISO. An Interconnection Customer requesting Partial Capacity Deliverability Status must specify the MW amount of Full Capacity Deliverability Status it is seeking in its Interconnection Request.)

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 directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP. 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 GIP. 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 directed by the ISO and will be completed in a manner consistent with the ISO Tariff GIP.

Point of Change of Ownership shall mean the point, as set forth in the GIA, 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 the GIA, 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 GIP Section 8, 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 shall mean a set of Interconnection Requests in an Interconnection Study Cycle processed pursuant to the Cluster Study Process.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the GIP or the GIA, 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 Generating Facility(ies) safely and reliably to the ISO Grid, which would not have been necessary but for the interconnection of one or more 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 system operating limits, occurring under any system condition, which system operating limits cannot be adequately mitigated through the ISO's congestion management, operating procedures, or special protection systems based on the characteristics of the 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 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 Interconnection Studies as set forth in the GIP.

Rule 21 shall mean SCE's Electric Tariff Rule 21 specified in the Distribution Provider's tariff on file with the CPUC.

Rule 21 GIA shall mean the form of interconnection agreement applicable to an Interconnection Request for an Interconnection Customer who chooses a state-jurisdictional generator interconnection agreement pursuant to GIP Section 4.9.1, the *pro forma* version of which will be the CPUC-approved form Rule 21 generator interconnection agreement for projects studied under the Cluster Study Process.

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 GIP Section 4.2.1 or 5.2.1 as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with GIP Section 4.2.1.2 or 5.2.1.2.

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

Smart Inverter shall mean a Generating Facility's inverter that performs functions that when activated can autonomously contribute to grid support during excursions from normal operating voltage and frequency system conditions by providing dynamic reactive/real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands and other functions.

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 an Appendix to the GIA.

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 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 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.

TP Deliverability shall mean the capability, measured in MW, of the ISO Grid as modified by transmission upgrades and additions modeled or identified in the annual Transmission Plan to support the interconnection with Full Capacity Deliverability Status or Partial Capacity Deliverability Status of additional Generating Facilities in a specified geographic or electrical area of the ISO Grid.

Transmission Plan shall mean the report prepared by the ISO on an annual basis pursuant to Section 24 of the ISO Tariff, which documents the outcome of the ISO's transmission planning process by which the ISO assesses the ISO Grid.

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.

Under 10 kW Inverter Process shall mean the interconnection study process set forth in GIP Section 7.

Section 3. General Provisions Applicable to All Interconnection Requests

3.1 Pre-Application

- 3.1.1 The Distribution Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Distribution Provider's Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Distribution Provider shall comply with reasonable requests for such information.
- 3.1.2 In addition to the information described in GIP Section 3.1.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Distribution Provider shall provide the pre-application data described in GIP Section 3.1.3 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Distribution Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Distribution Provider's system. The written pre-application report request form shall include the information in GIP Sections 3.1.2.1 through 3.1.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.
- 3.1.2.1 Project contact information, including name, address, phone number, and email address.
- 3.1.2.2 Project location (street address with nearby cross streets and town)
- 3.1.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.
- 3.1.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)
- 3.1.2.5 Size (alternating current kW)
- 3.1.2.6 Single or three phase generator configuration
- 3.1.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

3.1.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

3.1.3 Using the information provided in the pre-application report request form in GIP Section 3.1.2, the Distribution Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Distribution Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to GIP Section 3.1.4, the pre-application report will include the following information:

3.1.3.1 Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.

3.1.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.

3.1.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.

3.1.3.4 Available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).

3.1.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.

3.1.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

3.1.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.

3.1.3.8 Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in GIP Section 6.11.1.1 below and absolute minimum load, when available.

- 3.1.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
 - 3.1.3.10 Number of phases available at the proposed Point of Interconnection. If a single phase, distance from the three-phase circuit.
 - 3.1.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
 - 3.1.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
 - 3.1.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 3.1.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Distribution Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Distribution Provider cannot complete all or some of a pre-application report due to lack of available data, the Distribution Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to GIP Section 3.1.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this GIP Section 3.1.4, the Distribution Provider shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

3.2 Interconnection Requests

An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 1 to this GIP for processing under the Cluster Study Process, the Independent Study Process or the Fast Track Process. An Interconnection Customer shall submit to Distribution Provider an Interconnection Request in the form of Appendix 10 to this GIP for processing

under the Under 10 kW Inverter Process. 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.

An Interconnection Request for the expansion of capacity of an existing Generating Facility shall be treated the same as an Interconnection Request for a new Generating Facility pursuant to this GIP.

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 the Facilities Study, or their equivalent, and for executing the Service Agreement shall coincide with the schedule for performing the Interconnection Studies, and executing the GIA under this GIP.

3.3 Interconnection Service

3.3.1 The Product. Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Distribution System and be eligible to deliver the 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.

3.3.2 No Applicability to Transmission Service or Distribution Service. Nothing in this GIP 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.

3.3.3 Roles and Responsibilities.

3.3.3.1 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 analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the

ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The Distribution Provider will perform all required studies related to the Distribution System and will coordinate with Affected System Operators in accordance with GIP Section 3.7.

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

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

3.3.3.4 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.

3.3.3.4.1 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.

3.3.3.4.2 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 Comparability

Distribution Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this GIP. 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.

3.5 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 GIP Section 11.1. 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.

3.6 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 requested by the Interconnection Customer; (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 GIA or requests that Distribution Provider file an unexecuted GIA 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 or the Interconnection System Impact Study, as applicable, following the final Results Meeting or thirty (30) Calendar Days after the completion of such study if the

Results Meeting is waived, and non-confidential portions of the Phase II Interconnection Study or the Interconnection Facilities Study, as applicable, no later than publication of the ISO's final Transmission Plan.

3.7 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 GIP. Distribution Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this GIP. 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.

3.8 Capacity of the Generating Facility

The Interconnection Request shall be evaluated using the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system. However, if the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the Distribution Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Distribution Provider's system. If the Distribution Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Generating Facility is capable of injecting into the Distribution Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Distribution Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

3.9 Proposed Commercial Operation Date

The proposed Commercial Operation Date of the new 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 Generating Facility or

increase in capacity of the existing Generating Facility will take longer than the seven year period. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters, the Distribution Provider's agreement to an extension of the proposed Commercial Operation Date does not relieve the Interconnection Customer from compliance with the requirements of any of the criteria in GIP Section 4.6.13.1 for retention of TP Deliverability.

3.10 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.

3.11 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, if the Interconnection Customer fails to adhere to all requirements of this GIP, except as provided in GIP Section 11.2 (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.

For an Interconnection Request under the Cluster Study Process, 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 GIP Section 11.1 and GIP Sections 4.2.1.1 or 5.2.1.1, as applicable, 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.

3.12 Reactive Power Requirements for Existing Non-Synchronous Generators

The reactive power requirements for non-synchronous generators set forth in FERC's Order No. 827 shall be applicable to: 1) the entirety of an existing

non-synchronous Generating Facility in the event such Generating Facility makes modifications that require the submission of a new Interconnection Request, and a subsequent Interconnection Study finds that the reactive power requirement is necessary to ensure system safety or reliability; 2) new non-synchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new non-synchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required.

3.13 Standards for Inverter Based Generating Facilities

Inverters used for the production, and/or later injection from storage, of electricity shall meet the inverter certification standards of UL-1741 and UL-1741 Supplement A utilizing the Smart Inverter requirements set forth in Rule 21 for Interconnection Requests that are received and deemed valid on and after March 1, 2017.

Section 4. Cluster Study Process

4.1 Timing For Submitting Interconnection Requests

Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window for Queue Cluster 4 was open from March 2, 2011 through March 31, 2011. The Cluster Application Windows for Queue Cluster 5 were open from October 15, 2011 through November 15, 2011 and March 1, 2012 through March 31, 2012. Commencing with Queue Cluster 6, a single Cluster Application Window associated with each Interconnection Study Cycle will open on April 1 and close on April 30 of each year. In the event that any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day thereafter.

The Distribution Provider may change the Cluster Application Window interval and opening or closing dates at any time. Any changes to the Cluster Application Window interval and opening or closing dates will be posted on the Distribution Provider's website. If there is a conflict between the Cluster Application Window interval and opening or closing dates posted on the Distribution Provider's website and the dates identified in the paragraph above, the dates posted on the Distribution Provider's website shall control.

4.2 Processing of Interconnection Request

4.2.1 Initiating an Interconnection Request. To initiate an Interconnection Request under the Cluster Study Process, an Interconnection Customer either seeking (1) to interconnect a proposed Generating Facility with the Distribution Provider's Distribution System, or (2) to increase the capacity of a Generating Facility that has achieved Commercial Operation, must submit during a Cluster Application Window all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of

electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000, (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, 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 \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. 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.

An Interconnection Customer seeking to exercise the Annual Full Capacity Deliverability Option for Full Capacity Deliverability Status or Partial Capacity Deliverability Status in accordance with GIP Section 4.7 must submit during the applicable Cluster Application Window all of the following: (i) a completed Interconnection Request in the form of Appendix 1 to the GIP, including requested Deliverability status, preferred Point of Interconnection and voltage level, and all other technical data, and (ii) a non-refundable \$10,000 study fee.

4.2.1.1 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 GIP Section 3.11 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 GIP Section 4.2.1 be withdrawn by the Interconnection

Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 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 one-half of the original Interconnection Study Deposit up to a maximum of \$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 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 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.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, 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 Section 7.6 of Appendix DD to the ISO Tariff.

4.2.1.2 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 GIP Section 3.11. 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 GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

4.2.2 Validation of Interconnection Request.

4.2.2.1 Acknowledgment of Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

4.2.2.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 4.2.1 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 GIP Section 4.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 4.2.2.1 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 five (5) 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 GIP Section 4.2.1, 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 GIP Section 4.2.1 no later than twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business 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 GIP Section 4.2.1, within twenty (20) Business Days after the close of the applicable Cluster Application Window or ten (10) Business 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 GIP Section 4.2.2.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 4.2.2.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

4.3 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 Cluster Application 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 GIP Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

A Scoping Meeting is not required for Interconnection Customers seeking to exercise the Annual Full Capacity Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

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 GIP 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.

4.4 Generator Interconnection Study Process Agreement

Within thirty (30) Calendar Days of the close of the Cluster Application Window, the Distribution Provider shall provide to each Interconnection Customer with a validated Interconnection Request received during the Cluster Application Window a pro forma Generator Interconnection Study Process Agreement in the form set forth in Appendix 3 to the GIP. The pro forma 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 GIP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the 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 Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the Distribution Provider the Generator Interconnection Study Process Agreement no later than thirty (30) Calendar Days after the Scoping Meeting.

A Generator Interconnection Study Process Agreement is not required for Interconnection Customers seeking to exercise the Annual Full Capacity

Deliverability Option under GIP Section 4.7.1 for Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

4.5 Interconnection Studies

4.5.1 Grouping Interconnection Requests. At Distribution Provider's option, and in coordination with the ISO, as applicable, an Interconnection Request received during a particular Cluster Application 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 and the ISO's annual Transmission Plan. 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 Generating Facility from other Generating Facilities with Interconnection Requests in the same Interconnection Study Cycle.

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 GIP. 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.

4.5.2 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 analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. 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 Generating Facility selecting Full Capacity Deliverability Status, the elected output of a Generating Facility seeking Partial Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting 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 Appendix Y of the ISO Tariff or in Appendix DD of the ISO Tariff, as applicable.

The Distribution Provider will prepare an Interconnection Study report to document the results of the Interconnection Study. The report shall include the results of the analysis of the impacts on and the upgrades required to the Distribution System, and the costs of the Distribution Provider's Interconnection Facilities and Distribution Upgrades, as well as the results of the analysis of impacts on and the upgrades required to the ISO Grid, and the costs of the Network Upgrades.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

4.5.3 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 Cluster Application Window for a particular year 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 Queue Cluster 4 in accordance with GIP Section 4.5.4, (vii) establish the maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to each Interconnection Request until the issuance of the Phase II Interconnection Study report, as well as provide an estimate of the cost responsibility for Area Delivery Network Upgrades, assigned to each Interconnection Request in Queue Cluster 5

and subsequent Queue Clusters in accordance with GIP Section 4.5.4, and (viii) 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 GIP.

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 Deliverability Assessment and Off-Peak Deliverability Assessment in accordance with Appendix Y of the ISO Tariff for Queue Cluster 4 or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. The short circuit analysis will include an evaluation of the short circuit duty impacts of all Generating Facilities interconnecting to the Distribution System on the Transmission System, including Generating Facilities being studied under the Independent Study Process. 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).

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

4.5.4.1 Reliability Network Upgrades.

4.5.4.1.1 For Queue Cluster 4. The short circuit, stability, and power flow analyses will be performed pursuant to Appendix Y of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution

System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters.

The short circuit, stability, and power flow analyses will be performed pursuant to Appendix DD of the ISO Tariff. The short circuit and stability analyses for each Interconnection Request either individually or as part of a Group Study will preliminarily identify the Reliability Network Upgrades needed to interconnect the Generating Facilities to the Distribution System. The power flow analyses for each Interconnection Request either individually or as part of a Group Study will identify reliability criteria violations, including applicable thermal overloads, that must be mitigated by Reliability Network Upgrades. The estimated costs of the Reliability Network Upgrades shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2 Delivery Network Upgrades.

4.5.4.2.1 The On-Peak Deliverability Assessment.

4.5.4.2.1.1 For Queue Cluster 4. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix Y of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity Deliverability Status or the requested MW of Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. An On-Peak Deliverability Assessment will be performed for Interconnection Customers selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Requests pursuant to Appendix DD of the ISO Tariff. The On-Peak Deliverability Assessment will identify preliminary Delivery Network Upgrades, which shall consist of Local Delivery Network Upgrades and Area Delivery Network Upgrades, required to provide the Generating Facility with Full Capacity Deliverability Status or Partial Capacity Deliverability Status. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment will be estimated and assigned in accordance with Appendix DD of the ISO Tariff.

4.5.4.2.2 The Off-Peak Deliverability Assessment.

4.5.4.2.2.1 For Queue Cluster 4. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix Y of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, 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. The estimated costs and treatment of such upgrades shall be in accordance with Appendix Y of the ISO Tariff.

4.5.4.2.2.2 For Queue Cluster 5 and Subsequent Queue Clusters. An Off-Peak Deliverability Assessment will be performed, pursuant to Appendix DD of the ISO Tariff, for Interconnection Customers to identify transmission upgrades in addition to those

Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, that includes one or more LCRIG as defined in the ISO Tariff, where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. The estimated costs and treatment of such upgrades shall be in accordance Appendix DD of the ISO Tariff.

4.5.4.3 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 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.

4.5.5 Costs Identified in the Phase I Interconnection Study Report Form the Basis of Initial Interconnection Financial Security Posting. The costs assigned to Interconnection Customers for Network Upgrades shall establish the basis for the initial Interconnection Financial Security posting required from each Interconnection Customer under GIP Section 4.8.2 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Distribution Provider's Interconnection Facilities and Distribution Upgrades under GIP Section 4.5 are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under GIP Section 4.8.1 for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

4.5.6 Phase I Interconnection Study Procedures. The Distribution Provider shall coordinate the Phase I Interconnection Study with the ISO pursuant to GIP Section 3.3.3, as applicable, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7.

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 issue to Interconnection Customers the Phase I Interconnection Study report within one hundred thirty-four (134) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 4, within two hundred (200) Calendar Days after the commencement of the Phase I Interconnection Study for Queue Cluster 5, and within one hundred seventy (170) Calendar Days after the commencement of the Phase I Interconnection Study beginning with Queue Cluster 6; 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 Cluster Application Window, study complexity, and reasonable availability of subcontractors as provided under GIP Section 3.3.3.3. 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 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 Cluster Application Window, study complexity, coordination with the ISO Tariff GIP 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 GIP Section 11.1.

4.5.7 Phase I Interconnection Study Results Meeting. Within thirty (30) Calendar Days of issuing 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.

Should the Interconnection Customer provide written comments on the final Phase I Interconnection Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution Provider will address the written comments in the Phase I Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide, to the extent possible, informal, informational responses at the Results Meeting.

The Interconnection Customer may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. Written comments on the Phase I Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.5.7 will be included as an addendum to the Phase I Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

4.5.7.1 Commercial Operation Date. At the Phase I Interconnection Study 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 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 GIP Section 11.2. The Interconnection Customer must notify the Distribution Provider within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under GIP Section 11.2.

4.5.7.2 Modifications.

4.5.7.2.1 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.

4.5.7.2.2 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 issuance of the final Phase I Interconnection Study, but no later than ten (10) 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 two (2) Business Days of receipt.

Modifications permitted under this GIP Section 4.5.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld; and (e) change in requested Deliverability to Energy-Only Deliverability Status, from Full Capacity Deliverability Status to Partial Capacity Deliverability Status, or from Partial Capacity Deliverability Status to a lower fraction of Partial Capacity Deliverability Status.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification in accordance with GIP Section 4.5.7.2.3. 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. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the 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 GIP Section 4.5.7.2, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request during a subsequent Cluster Application Window reflecting such modification.

The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with this GIP Section 4.5.7.2.

4.5.7.2.3 For any modifications other than those permitted under GIP Section 4.5.7.2.2, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

4.5.7.3 Determination of Impact of Modifications Decreasing Generating Capacity Output or Deliverability Status Reductions on Calculation of Initial Financial Security Posting.

After receiving from the Interconnection Customer any modification elections involving decreases in electrical output (MW) of the Generating Facility and/or changes (*i.e.*, reductions) in Deliverability status as permitted in GIP Section 4.6.1, the Distribution Provider, in coordination with the ISO, will determine, based on best engineering judgment, whether such modifications will eliminate the need for any Delivery Network Upgrades identified in the Phase I Interconnection Study report.

The Distribution Provider and ISO will not conduct any re-studies in making this determination.

If the Distribution Provider and ISO should determine that one or more Delivery Network Upgrades identified in the Phase I Interconnection Study are no longer needed, then, solely for purposes of calculating the amount of the Interconnection Customer's initial posting of Interconnection Financial Security under GIP Section 4.8.2, such Delivery Network Upgrade(s) will be considered to be removed from the plan of service described in the Interconnection Customer's Phase I Interconnection Study report and the cost estimates for such upgrades shall not be included in the calculation of Interconnection Financial Security in GIP Section 4.8.2. The Distribution Provider will inform in a timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised amounts for the initial Interconnection Financial Security posting. No determination under this GIP Section 4.5.7.3 shall affect either (i) the timing for the initial Interconnection Financial Security posting or (ii) the maximum value for the Interconnection Customer's total cost responsibility for Network Upgrades established by the Phase I Interconnection Study report.

4.5.7.4 Revisions and Addenda to Final Interconnection Study Reports.

4.5.7.4.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Phase I or Phase II Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial

Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

4.5.7.4.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 4.9.1.

4.5.7.4.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Phase I and Phase II Interconnection Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 4.5.7.4.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 4.8. In the case of a substantial error or omission resulting in the issuance of a revised final Phase I or Phase II Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 4.8. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting

amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with GIP Section 4.8, subject to refund in the event that the Interconnection Customer prevails in the dispute.

4.6 Phase II Interconnection Study

4.6.1 Activities in Preparation for Phase II Interconnection Study. Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B ("Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study") to its Generator Interconnection Study Process Agreement, a pro forma version of which is Appendix 3 to this GIP. Within such Attachment B, the Interconnection Customer shall either (i) confirm the desired Deliverability status that the Interconnection Customer had previously designated in the completed form of Attachment A to the Generator Interconnection Study Process Agreement ("Assumptions Used in Conducting the Phase I Interconnection Study"); or (ii) change the status of desired deliverability in one of the following ways:

- (a) from Full Capacity Deliverability Status to Energy-Only Deliverability Status;
- (b) from Full Capacity Deliverability Status to Partial Capacity Deliverability Status with a specified MW amount of Full Capacity Deliverability Status;
- (c) from Partial Capacity Deliverability Status to Energy-Only Deliverability Status; or
- (d) reduce Partial Capacity Deliverability Status to a lower MW amount of Full Capacity Deliverability Status.

The Distribution Provider will forward a copy of the completed form of Attachment B to the ISO.

4.6.2 Full Capacity Deliverability Status or Partial Capacity Deliverability Status Options for Interconnection Customers in Queue Cluster 5 and Subsequent Queue Clusters. This section applies to Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters for which the Generating Facility Deliverability status is either Full Capacity Deliverability Status or Partial Capacity Deliverability Status.

Within Attachment B to its Generator Interconnection Study Process Agreement, the Interconnection Customer must select one of two options with respect to its Generating Facility:

Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to Commercial Operation. If the Interconnection Customer selects Option (A), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades and Local Delivery Network Upgrades, and shall not be required to post Interconnection Financial Security for Area Delivery Network Upgrades; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both Area Delivery Network Upgrades and Local Delivery Network Upgrades, to the extent applicable) without cash repayment under GIP Section 10.4.1.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested amount of Deliverability status. If the Interconnection Customer selects Option (B), then the Interconnection Customer shall be required to make an initial posting of Interconnection Financial Security under GIP Section 4.8.2 for the cost responsibility assigned to it in the Phase I Interconnection Study for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades.

4.6.3 Scope of the 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 Phase I Interconnection Study. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Study to account for the withdrawal of Interconnection Requests or other projects in the interconnection queue, (ii) identify Distribution Upgrades needed to physically interconnect the Generating Facility, (iii) assign cost responsibility for the Distribution Upgrades, (iv) identify final Reliability Network Upgrades needed to physically and reliably interconnect the Generating Facilities and provide final cost estimates, (v) for Queue Cluster 4, identify, following

coordination with the ISO's transmission planning process, final Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vi) for Queue Cluster 5 and subsequent Queue Clusters, identify final Local Delivery Network Upgrades needed to interconnect those Generating Facilities selecting Full Capacity Deliverability Status or Partial Capacity Deliverability Status and provide final cost estimates, (vii) for Queue Cluster 5 and subsequent Queue Clusters, identify final Area Delivery Network Upgrades for those Interconnection Customers selecting Option (B) in accordance with GIP Section 4.6.2 and provide revised cost estimates, (viii) identify for each Interconnection Request the 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) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities, as applicable. For Queue Cluster 5 and subsequent Queue Clusters, where the cost estimates applicable to the total of the Reliability Network Upgrades and Local Delivery Network Upgrades are based upon the Phase I Interconnection Study (because the cost estimates for the Network Upgrades were lower and so establish maximum cost responsibility under GIP Section 4.6.7.3), the Phase II Interconnection Study report shall recite this fact.

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 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.

4.6.4 Phase II Interconnection Study Procedures. Distribution Provider shall coordinate the Phase II Interconnection Study with the ISO pursuant to GIP Section 3.3, and any Affected System Operator that is affected by the Interconnection Request pursuant to GIP Section 3.7 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 commence the Phase II Interconnection Study January 15 of each year for Queue Cluster 4 and May 1 of each year for Queue Cluster 5 and subsequent Queue Clusters, and to complete and issue to Interconnection Customers the Phase II Interconnection Study report within one hundred ninety-six (196) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 4 and two hundred five (205) Calendar Days after the annual commencement of the Phase II Interconnection Study for Queue Cluster 5 and subsequent Queue Clusters. 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 GIP Section 11.1.

- 4.6.5 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 Appendix Y or Appendix DD of ISO Tariff, as applicable.
- 4.6.6 Cost Responsibility for Distribution Upgrades.** The cost responsibility for Distribution Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The cost responsibility for 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 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 GIP Section 4.6.6.

4.6.7 Cost Responsibility for Network Upgrades.

4.6.7.1 Cost Responsibility for Reliability Network Upgrades. The cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study shall be assigned in accordance with Appendix Y or Appendix DD of the ISO Tariff, as applicable.

4.6.7.2 Cost Responsibility for Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades for Queue Cluster 4 shall be assigned in accordance with Appendix Y of the ISO Tariff. The cost responsibility for Local Delivery Network Upgrades and Area Delivery Network Upgrades for Queue Cluster 5 and subsequent Queue Clusters shall be assigned in accordance with Appendix DD of the ISO Tariff.

4.6.7.3 Costs Identified in the Phase II Interconnection Study Report Form the Basis of the Second and Third Interconnection Financial Security Postings. The Phase II Interconnection Study report shall set forth the applicable cost estimates for the Network Upgrades in accordance with this GIP Section 4.6.7 and shall establish the basis for the second and third Interconnection Financial Security postings required from each Interconnection Customer under GIP Sections 4.8.3 and 4.8.4 as set forth below.

4.6.7.3.1 For Queue Cluster 4. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for the Interconnection Financial Security required of each Interconnection Customer and the maximum cost responsibility of each Interconnection Customer for Network Upgrades shall be established by the lesser of the costs for Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study report or the final Phase II Interconnection Study report.

4.6.7.3.2 For Queue Cluster 5 and Subsequent Queue Clusters. After the Phase II Interconnection Study report is issued to the Interconnection Customer, the maximum value for Interconnection Financial Security for Reliability Network Upgrades and Local Delivery Network Upgrades shall be established comparing the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades

determined in the final Phase I Interconnection Study to the subtotal cost for Reliability Network Upgrades and Local Delivery Network Upgrades determined in the final Phase II Interconnection Study, and utilizing the lower subtotal. The lower subtotal for Reliability Network Upgrades and Local Delivery Network Upgrades shall also establish the Interconnection Customer's maximum cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades after issuance of the Phase II Interconnection Study report.

The cost estimate for Area Delivery Network Upgrades set forth in the Phase II Interconnection Study report shall provide the basis for second and third Interconnection Financial Postings for those Interconnection Customers that have selected Option (B). The Area Delivery Network Upgrades cost estimates provided in any Interconnection Study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for Area Delivery Network Upgrades. Notwithstanding the foregoing, each Interconnection Customer will be responsible for its allocated share of the actual costs of Area Delivery Network Upgrades as set forth in this GIP Section 4.6.7.3.2.

4.6.8 Financing Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for financing the Network Upgrades, meeting the conditions as specified below, necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA under this GIP, whenever either:

- (i) the Network Upgrades were included in the Base Case for an Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed because such GIA 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 Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection

Customers that have an executed GIA (or its equivalent predecessor agreement) or unexecuted GIA (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 GIA (or its equivalent predecessor agreement).

The obligation under this GIP Section 4.6.8 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.

4.6.9 Interim Energy-Only Interconnection Until Delivery Network Upgrades Are Completed. If it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, the Interconnection Study will include interim mitigation measures necessary to allow the Generating Facility to interconnect as an energy-only resource until the Delivery Network Upgrades for the Generating Facility are completed and placed into service, unless interim partial capacity deliverability measures are developed by the ISO.

4.6.10 Results 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.

Should the Interconnection Customer provide written comments on the final Phase II Interconnection Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Phase II Interconnection Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Phase II Interconnection Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 4.5.7.4, whether it is necessary to follow the final Phase II Interconnection Study Report with a revised study report or an addendum to the report. Written comments on the Phase II Interconnection Study report provided by the Interconnection Customer in accordance with this GIP Section 4.6.10 will be included as an addendum to the Phase II Interconnection Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

- 4.6.11 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.
- 4.6.12 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 GIP.
- 4.6.13 Allocation Process for TP Deliverability for Queue Cluster 5 and Subsequent Queue Clusters.** After the Phase II Interconnection Study reports are issued for Queue Cluster 5 and subsequent Queue Clusters, the TP Deliverability allocation will be performed by the ISO pursuant to Appendix DD of the ISO Tariff. Within two (2) Business Days following the ISO's issuance of the market notice in accordance with Section 8.9 of Appendix DD of the ISO Tariff, the Distribution Provider will notify Interconnection Customers as to the ISO's timeline for commencement of the allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. The Interconnection Customer must submit simultaneously to the Distribution Provider and the ISO the information required by Section 8.9.2 of Appendix DD to the ISO Tariff. Upon receipt from the ISO of the result of the allocation of TP Deliverability, the Interconnection Customers will have seven (7)

Calendar Days to inform the Distribution Provider and the ISO of its decision in accordance with Sections 8.9.4, 8.9.5, and 8.9.6 of Appendix DD of the ISO Tariff. The Distribution Provider shall not be responsible for the results of the ISO's allocation of TP Deliverability. If the Interconnection Customer disputes the outcome of the ISO's TP Deliverability allocation, the Interconnection Customer must raise such dispute with the ISO in accordance with the ISO Tariff Dispute Resolution procedures. The results of the TP Deliverability allocation will be reflected in the GIA between the Distribution Provider and Interconnection Customer. The Interconnection Customer must demonstrate to the Distribution Provider and the ISO, in the form required by the ISO, that it meets the criteria set forth in Appendix DD of the ISO Tariff, in order to retain its TP Deliverability allocation.

4.6.13.1 Consequences of Failure to Retain TP Deliverability. An Interconnection Customer's failure to retain its allocation of TP Deliverability shall not be considered a Breach of the GIA. Upon failure of the Interconnection Customer to retain TP Deliverability, the Deliverability status of the Generating Facility corresponding to the Interconnection Request shall convert to Energy-Only Deliverability Status as to that portion of the Generating Facility which has not retained the TP Deliverability.

4.7 Additional Deliverability Assessment Option

4.7.1 Annual Full Capacity Deliverability Option. Consistent with Appendix DD of the ISO Tariff, Generating Facilities eligible for Deliverability under this section are: (i) a Generating Facility previously studied as Energy-Only Deliverability Status or which has a generator interconnection agreement under which the Generating Facility has Energy-Only Deliverability Status and such generator interconnection agreement is in good standing at the time of request under this section; (ii) an Option (A) Generating Facility not allocated TP Deliverability Status and has a GIA in good standing and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility; and (iii) an Option (B) Generating Facility which chose Partial Capacity Deliverability Status and has a GIA in good standing, and desires to seek additional Deliverability with respect to the Energy-Only Deliverability Status portion of the Generating Facility. An eligible Generating Facility will have an option to be studied for Full Capacity Deliverability Status (to determine whether it can be designated for Full Capacity Deliverability Status) or Partial Capacity Deliverability Status, based on available transmission capacity. To be considered in the Annual Full Capacity Deliverability Study, the Interconnection Customer must make a request for such a study which complies with GIP Section 4.2.1 within a Cluster Application Window.

The Annual Full Capacity Deliverability Study will be performed by the ISO pursuant to either Appendix Y of the ISO Tariff for Queue Cluster 4, or Appendix DD of the ISO Tariff for Queue Cluster 5 and subsequent Queue Clusters. Any Interconnection Customer selecting this option will be studied by the ISO immediately following the TP Deliverability allocation following the Phase II Interconnection Studies associated with the Cluster Application Window during which the Interconnection Customer submitted the request.

4.7.1.1

Study Costs. The Distribution Provider and the ISO shall execute any necessary agreements for reimbursement of study costs incurred and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers.

4.8 Interconnection Financial Security

4.8.1 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 GIP Section 4.8.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 4.8.1 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 GIP Section 4.8.1 will accrue to the Interconnection Customer's benefit.

4.8.2 Initial Posting of Interconnection Financial Security. On or before ninety (90) Calendar Days after issuance of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Phase I Interconnection Study report pursuant to GIP Section 4.5.7.4, the initial postings set forth in this GIP Section 4.8.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Phase I Interconnection Study report or forty (40) Calendar Days after issuance of the revised final Phase I Interconnection Study report.

4.8.2.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent 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) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small 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.

If an Interconnection Customer switches its status from Full Capacity Deliverability Status or Partial Capacity Deliverability Status to Energy-Only Deliverability Status within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, as permitted in GIP Section 4.6.1, the required Interconnection Financial Security for Network Upgrades shall be capped, for purposes of this section, at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent 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.

4.8.2.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.2.2.1 Posting Amount for Network Upgrades for Small Generating Facilities. Each Interconnection Customer for a Small Generating Facility shall post an Interconnection Financial Security instrument as follows:

- 1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network Upgrades. The posting amount for such Reliability Network Upgrades shall equal 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, or (ii) \$20,000 per megawatt of electrical output of the Small 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.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades and Local Delivery Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, or (ii) \$20,000 per megawatt of electrical output of the Small 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.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades and Area Delivery Network Upgrades shall equal 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, or (ii) \$20,000 per megawatt of electrical output of the Small 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.

4.8.2.2.2 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument as follows:

1) Interconnection Customers selecting Energy Only Deliverability Status must post for Reliability Network

Upgrades. The posting amount for such Reliability Network Upgrades shall equal the lesser of (i) fifteen percent (15%) of the total Reliability Network Upgrades cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study, (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) \$7,500,000.

In addition, if an Interconnection Customer switches its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status within five (5) Business Days following the Phase I Interconnection Study Results Meeting, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be additionally capped at an amount no greater than the total cost responsibility assigned to the Interconnection Customer in the Phase I Interconnection Study for Reliability Network Upgrades.

2) Interconnection Customers selecting Option (A) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades and Local Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades and Local Delivery Network Upgrades shall equal 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) \$7,500,000.

3) Interconnection Customers selecting Option (B) Full Capacity Deliverability Status or Partial Capacity Deliverability Status must post for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades. The posting amount for such Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades shall be

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) \$7,500,000.

4.8.2.2.3 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

The Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent 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.

4.8.2.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

4.8.2.4 Timing of Notice to the Distribution Provider. 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.

4.8.2.5 Effect of Decrease in Output on Initial Posting Requirement. If an Interconnection Customer decreases the electrical output of its facility after the completion of the Phase I Interconnection Study, pursuant to GIP Section 4.5.7.2, and the Distribution Provider, in consultation with the ISO, is able to reasonably determine, prior to the date for initial posting of Interconnection Financial Security, that as a result of such decrease (solely or in combination with other modifications made by Interconnection Customers in the same Group Study) some of the Network Upgrades, Distribution Upgrades, and/or Distribution Provider's Interconnection Facilities identified in the Phase I Interconnection Study will no longer be required, then the calculation of the initial posting of Interconnection Financial Security will not include those Network Upgrades, Distribution Upgrades, and/or Distribution

Provider's Interconnection Facilities. Such determination will be made based on the Distribution Provider's best engineering judgment and will not include any re-studies.

4.8.3 Second Posting of Interconnection Financial Security. On or before one hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study report, the Interconnection Customer shall post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. However, if the Distribution Provider revises a final Phase II Interconnection Study report pursuant to GIP Section 4.5.7.4, the postings set forth in this GIP Section 4.8.3 will be due from the Interconnection Customer by the later of one hundred-eighty (180) Calendar Days after issuance of the original final Phase II Interconnection Study report or sixty (60) Calendar Days after issuance of the revised final Phase II Interconnection Study report.

4.8.3.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent 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.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent 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.

Second, 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 (30) percent 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.

**4.8.3.2 Interconnection Financial Security Posting Amounts For
Queue Cluster 5 and Subsequent Queue Clusters.**

4.8.3.2.1 Posting Requirements and Timing for Parked Option

(A) Generating Facilities. For an Interconnection Customer choosing Option (A) whose Generating Facility was not allocated TP Deliverability in the first TP Deliverability allocation following its receipt of the final Phase II Interconnection Study, and who chooses to park the Interconnection Request, the posting due date will be extended by 12 months.

For an Interconnection Customer choosing Option (A) whose Generating Facility was allocated TP Deliverability for less than the full amount of its Interconnection Request, and who chooses to seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle, the postings for Reliability Network Upgrades, Distribution Provider's Interconnection Facilities, Distribution Upgrades and for Local Delivery Network Upgrades corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified above. The posting due date for the Local Delivery Network Upgrades corresponding to the remainder of the requested Deliverability will be extended by 12 months.

**4.8.3.2.2 Posting Amount for Network Upgrades for Small
Generating Facilities.** For each Interconnection Customer for a Small Generating Facility, the second Interconnection Financial Security instrument shall bring the security amount up to the following:

- 1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study report.
- 2) For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network

Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.

3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$1 million, or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus, (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.3 Posting Amount for Network Upgrades for Large Generating Facilities. Each Interconnection Customer for a Large Generating Facility shall post an Interconnection Financial Security instrument that brings the security amount up to the following:

1) For Interconnection Customers selecting Energy Only Deliverability Status: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Phase II Interconnection Study.

2) For Interconnection Customers who have Option (A) Generating Facilities: the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study.

3) For Interconnection Customers who have Option (B) Generating Facilities: the lesser of (i) \$15 million or (ii) the sum of: (a) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades and Local Delivery Network Upgrades in the final Phase II Interconnection Study; plus (b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades in the final Phase II Interconnection Study. However, to the extent that the Option (B) Interconnection Customer's Generating Facility is allocated TP Deliverability, the cost responsibility assigned to the Interconnection Customer for Area Delivery Network Upgrades will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is sufficient to provide for the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will equal zero (0). If the allocation of TP Deliverability is insufficient to provide the full Deliverability of the Interconnection Request, then the Area Delivery Network Upgrades cost responsibility will be reduced pro rata.

4.8.3.2.4 Posting Amount for Distribution Provider's Interconnection Facilities and Distribution Upgrades.

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

4.8.3.3 Early Commencement of Construction Activities. 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 issuance of the final Phase II Interconnection Study report, that start date must be set forth in the Interconnection Customer's GIA, and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 4.8.4 rather than GIP Section 4.8.3.

4.8.3.4 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection

Financial Security required by this GIP Section 4.8.3 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.4 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 GIP Section 4.8.3.

4.8.4.1 Interconnection Financial Security Posting Amounts For Queue Cluster 4. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent 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. 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 (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities in the final Phase II Interconnection Study.

4.8.4.2 Interconnection Financial Security Posting Amounts For Queue Cluster 5 and Subsequent Queue Clusters.

4.8.4.2.1 Network Upgrades. With respect to the Interconnection Financial Security instrument for Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades, Local Delivery Network Upgrades, and Area Delivery Network Upgrades.

An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the Distribution Provider construct the Local Delivery Network Upgrades or Area Delivery Network Upgrades is not required to make the third posting for its cost responsibilities for such Local Delivery Network Upgrades or Area Delivery Network Upgrades.

However, such Interconnection Customer will be required to demonstrate its financial capability to pay for the full cost of construction of its share, as applicable, of the Local Delivery Network Upgrades or Area Delivery Network Upgrades pursuant to Section 24.4.6.1 of the ISO Tariff. An Interconnection Customer's election to have a party other than the Distribution Provider construct Local Delivery Network Upgrades or Area Delivery Network Upgrades does not relieve the Interconnection Customer of the responsibility to fund or construct such Local Delivery Network Upgrades or Area Delivery Network Upgrades. Upon the Interconnection Customer's demonstration to the Distribution Provider and the ISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the Local Delivery Network Upgrades or Area Delivery Network Upgrades described here, the Interconnection Customer's second posting for these facilities will be returned to the Interconnection Customer, unless the Distribution Provider and Interconnection Customer agree to an alternative arrangement.

4.8.4.2.2 Distribution Provider's Interconnection Facilities and Distribution Upgrades. With respect to the Interconnection Financial Security instrument for the Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for the Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Phase II Interconnection Study report.

4.8.4.3 Consequences for Failure to Post. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 4.8.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

4.8.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security. Except as set forth in GIP Section 4.8.5.1, withdrawal of an Interconnection Request or termination of a GIA 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 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA 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.

4.8.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 4.8.5.2, if the withdrawal of the Interconnection Request or termination of the GIA 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 GIA, 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 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.

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, 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 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 GIA 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 GIP Section 4.8.5.1(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 4.5.7.2 of this GIP.

(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 GIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the 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.

(e) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (A) in accordance with GIP Section 4.6.2 is not allocated TP Deliverability and notifies the Distribution Provider and ISO of its election to withdraw by the deadline for the second posting of Interconnection Financial Security. This condition does not apply to an Interconnection Customer whose Generating Facility was allocated TP Deliverability for a portion of its Interconnection Request and elected to park for one Cluster Study Cycle and seek additional

Deliverability in the next TP Deliverability allocation process.

- (f) An Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B) in accordance with GIP Section 4.6.2 an increase in the Phase II Interconnection Study cost estimates for Area Delivery Network Upgrades over the Phase I Interconnection Study cost estimates for Area Delivery Network Upgrades of either twenty (20) percent, or \$20 million, whichever is less. Provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost of Area Delivery Network Upgrades is due to the Interconnection Customer's requested modification to the interconnection configuration.

4.8.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

4.8.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities. If the Interconnection Customer either withdraws its

Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(f) of GIP Section 4.8.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 4.8.3 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

4.8.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from

Governmental Authority. If, at any time after the second posting requirement under GIP Section 4.8.3, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, in accordance with GIP Section 4.8.5.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 4.8.5.2.1 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.

4.8.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 4.8.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall 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 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA 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 or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

4.8.5.2.5 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 thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO 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 GIP Section 4.8.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 4.8.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

4.8.5.3 Adjusting Network Upgrade Postings Following Reassessment Process. For Interconnection Customers in Queue Cluster 5 or subsequent Queue Clusters having selected Option (B), the most recent reassessment conducted under Section 7.4 of Appendix DD of the ISO Tariff in any Interconnection Study Cycle following the Interconnection Customer's receipt of its Phase II Interconnection

Study report shall provide the most recent cost estimates for the Interconnection Customer's Area Delivery Network Upgrades, and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for Area Delivery Network Upgrades.

4.9 Generator Interconnection Agreement (GIA)

4.9.1 Tender. If the Interconnection Customer requested Full Capacity Deliverability Status or Partial Capacity Deliverability Status, then within thirty (30) Calendar Days after the Distribution Provider provides the updated Phase II Interconnection Study report (or by an earlier date, if all parties agree) which includes the ISO's allocation of TP Deliverability to the Interconnection Customer, the Distribution Provider shall tender a draft GIA, together with draft appendices. If the Interconnection Customer requested Energy-Only Deliverability Status, then within thirty (30) Calendar Days following the Results Meeting for the final Phase II Interconnection Study (or by an earlier date, if all parties agree), the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 5 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

However, an eligible Interconnection Customer in Queue Cluster 5 or subsequent Queue Clusters may make a one-time election to opt for a Rule 21 GIA by notifying the Distribution Provider in writing no later than seven (7) Calendar Days after the Distribution Provider provides the final Phase II Interconnection Study report to the Interconnection Customer. The draft Rule 21 GIA shall be in the form of Distribution Provider's CPUC-approved form Rule 21 GIA. To make this election, the Interconnection Customer must be eligible to interconnect under state jurisdiction at the time of election. On the date a Rule 21 GIA is executed by the Interconnection Customer and Distribution Provider, jurisdiction over the Interconnection Service reverts to the CPUC, except as otherwise provided in the Rule 21 GIA.

4.9.2 Negotiation. Notwithstanding GIP Section 4.9.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA 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 GIA for not more than one hundred twenty (120) 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 GIA pursuant to GIP Section 4.9.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted GIA 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 GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) 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 GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report, or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Phase II Interconnection Study report if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Phase II Interconnection Study report is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in Section 9 of the GIP.

Section 5. Independent Study Process

5.1 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Independent Study Process at any time during the year. The Distribution Provider, in coordination with the ISO, as applicable, will study

Interconnection Requests eligible for treatment under the Independent Study Process independently from other Interconnection Requests.

5.1.1 Interconnection Requests for the Independent Study Process received by the Distribution Provider during the period commencing thirty (30) Calendar Days prior to the opening of a Cluster Application Window through the last day of the Cluster Application Window, or projects that elect to be evaluated under the Independent Study Process pursuant to GIP Sections 6.9.3, 6.11 or 6.11.4.3 that submit the required deposit during or after this period, will be placed in the interconnection queue after projects received during the applicable Cluster Application Window for the purpose of evaluating the Electrical Independence Test and performing the Interconnection Studies.

5.2 Processing of Interconnection Request

5.2.1 Initiating an Interconnection Request. To initiate an Interconnection Customer under the Independent Study Process, Interconnection Customer must submit all of the following: (i) an Interconnection Study Deposit equal to \$50,000 plus \$1,000 per MW of electrical output of the Generating Facility, or the increase in electrical output of the existing Generating Facility, as applicable, rounded up to the nearest whole megawatt, up to a maximum of \$250,000; (ii) a completed Interconnection Request in the form of Appendix 1 to the GIP, 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 \$100,000 for a Small Generating Facility or \$250,000 for a Large Generating Facility. 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.

5.2.1.1 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 GIP Section 3.11 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 GIP Section 5.2.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 more than thirty (30) Calendar Days after the Scoping Meeting, but on or before thirty (30) Calendar Days following the Results Meeting for the Interconnection System Impact 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 one-half of the original Interconnection Study Deposit up to a maximum of \$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 be withdrawn by the Interconnection Customer or be deemed withdrawn by the Distribution Provider by written notice under GIP Section 3.11 at any time more than thirty (30) Calendar Days after the Results Meeting for the Interconnection System Impact Study, the Interconnection Study Deposit shall be non-refundable.
- (d) Upon execution of a GIA by an Interconnection Customer and the Distribution Provider, or the approval by FERC of an unexecuted GIA, 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 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 Section 7.6 of Appendix DD to the ISO Tariff.

5.2.1.2 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 GIP Section 3.11. 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 GIA or requests the filing of an unexecuted GIA under GIP Section 9.1 if Site Exclusivity has not been demonstrated.

5.3 Validation of Interconnection Request

5.3.1 Acknowledgment of Interconnection Request. Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

5.3.2 Deficiencies in Interconnection Request. An Interconnection Request will not be considered to be a valid request until all items in GIP Section 5.2.1 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 GIP Section 5.2.1, Distribution Provider shall include in its notification to the Interconnection Customer under GIP Section 5.3.1 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 five (5) 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 GIP Section 5.2.1, 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 GIP Section 5.2.1 no later than twenty (20) Business Days after the date the original Interconnection Request was submitted, or ten (10) Business 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 GIP Section 5.2.1 within twenty (20) Business Days after the date the original Interconnection Request was submitted or ten (10) Business Days after the Distribution Provider first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in the Independent Study Process and will be deemed invalid.

Interconnection Requests deemed invalid under this GIP Section 5.3.2 are not subject to GIP Section 3.11. Interconnection Customers with invalid Interconnection Requests under this GIP Section 5.3.2 may seek relief under GIP Section 11.2 by so notifying the Distribution Provider within two (2) Business Days of the notice of invalidity.

5.4 Criteria for Independent Study Process Eligibility

- (i) Any Interconnection Request that (i) specifies processing under the Independent Study Process, and (ii) passes the Electrical Independence Test as set forth in GIP Section 5.5, will be processed under the Independent Study Process.

5.5 Electrical Independence Test

The Distribution Provider will determine whether an Interconnection Request can be eligible for study under the Independent Study Process by performing the Electrical Independence Test. The Electrical Independence Test for Interconnection Requests proposing to interconnect to the Distribution System will consist of two parts, (1) the ISO's determination of electrical independence for the ISO Grid, and (2) an evaluation by the Distribution Provider of known or

reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships to yet-to-be completed Interconnection Studies of earlier-queued Generating Facilities to which the Generating Facility under consideration for the Electrical Independence Test is electrically related. The Interconnection Request must pass the ISO's determination of electrical independence for the ISO Grid, as well as the Distribution Provider's evaluation of electrical independence for the Distribution System, in order to be eligible for the Independent Study Process.

5.5.1 The ISO's Determination of Electrical Independence for the ISO Grid. If the Interconnection Request to the Distribution System is of sufficient MW size to be reasonably anticipated, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, Distribution Provider will request that the ISO, in coordination with the Distribution Provider, conduct the Determination of Electrical Independence for the ISO Grid as set forth in Section 4.2 of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Section 4.2 of Appendix DD of the ISO Tariff for Interconnection Requests received on or after December 1, 2012. If the Interconnection Request does not pass the incremental power flow, aggregate power flow, and short-circuit duty tests included in Section 4.2 of Appendix Y of the ISO Tariff or Section 4.2 of Appendix DD of the ISO Tariff, as applicable, then it fails the evaluation of electrical independence for the ISO Grid.

If Distribution Provider does not reasonably anticipate, in the engineering judgment of the Distribution Provider and in consultation with the ISO, to require or contribute to the need for Network Upgrades, then the Interconnection Request will be deemed to have passed the ISO's Determination of Electrical Independence for the ISO Grid, and will be separately evaluated by Distribution Provider, as set forth in GIP Section 5.5.2.

5.5.2 The Distribution Provider's Evaluation of Electrical Independence for the Distribution System. Distribution Provider will evaluate each Interconnection Request for known or reasonably anticipated, in the engineering judgment of the Distribution Provider, relationships between the Interconnection Request and any earlier-queued Interconnection Requests in the Cluster Study Process, the Independent Study Process, or Interconnection Requests studied under predecessor interconnection procedures that have yet to complete their respective Interconnection System Impact Study or Phase I Interconnection Study. Distribution Provider will use existing Interconnection Studies, Base Case data, overall system knowledge, and engineering judgment to determine whether an Interconnection Request can be studied independently of earlier-queued generation. If the Interconnection Request being evaluated for electrical independence on the Distribution System may be electrically related to

earlier-queued Generating Facilities that have yet to complete either Interconnection System Impact Study or Phase I Interconnection Study, then it fails the evaluation of electrical independence for the Distribution System.

5.5.3 Timing of Electrical Independence Test and Deemed Withdrawal Due to Failure of Electrical Independence Test. The Distribution Provider will inform an Interconnection Customer whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days of deeming the Interconnection Request complete. Any Interconnection Request that does not satisfy the criteria set forth in GIP Section 5.5 shall be deemed withdrawn, without prejudice of the Interconnection Customer submitting a new Interconnection Request into a later Cluster Application Window.

An Interconnection Request that fails the Electrical Independence Test, including either the ISO's test for independence under GIP Section 5.5.1 or the Distribution Provider's test for independence under GIP Section 5.5.2, will be required to wait twelve (12) months from the date the Interconnection Customer was informed of the failure of the Electrical Independence Test to resubmit an Interconnection Request under the Independent Study Process with a similar Point of Interconnection, unless all of the relevant Interconnection System Impact and/or Phase I Interconnection Studies have been completed for the earlier-queued Generating Facilities that were the cause of the Interconnection Request failing the GIP Section 5.5 test. A similar Point of Interconnection is any Point of Interconnection that would be electrically related to the original Interconnection Request that failed the Electrical Independence Test.

5.5.3.1 Notwithstanding GIP Section 5.5.3, an Interconnection Request subject to GIP Section 5.1.1 will be informed whether it has satisfied the requirements set forth in GIP Section 5.5 within twenty (20) Business Days following the closing of the applicable Cluster Application Window. If the Interconnection Request fails the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster, the Interconnection Customer will be given a one-time option to temporarily park its Interconnection Request without further action until the Phase I Interconnection Studies have been completed for the applicable Queue Cluster and a second Electrical Independence Test is performed. To be eligible for the one-time option to park, the Interconnection Customer must notify the Distribution Provider of its election to park within ten (10) Business Days of being informed by Distribution Provider of failure of the Electrical Independence Test due solely to projects that are part of the applicable Queue Cluster.

5.6 Impact of a Request for Full Capacity Deliverability Status or Partial Capacity Deliverability Status On The Independent Study Process

Unless specified otherwise in the Interconnection Request, Generating Facilities eligible to be studied under the Independent Study Process will be assumed to have selected Energy-Only Deliverability Status. If an Interconnection Customer requests Full Capacity Deliverability Status or Partial Capacity Deliverability Status in its Interconnection Request for the Independent Study Process, the eligible Generating Facility will initially be studied in the Independent Study Process as Energy-Only Deliverability Status. The Deliverability Assessment for eligible Interconnection Requests in the Independent Study Process that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status will be performed in conjunction with the next available Cluster Study Process pursuant to GIP Section 4.5.4.2, or as part of the additional Deliverability Assessment options as set forth in GIP Section 4.7.

5.7 Scoping Meeting

Within five (5) Business Days after the Distribution Provider notifies the Interconnection Customer that the Generating Facility associated with its Interconnection Request has satisfied the Electrical Independence Test set forth in GIP Section 5.5, the Distribution Provider shall establish a date agreeable to the Interconnection Customer, and the ISO, if applicable, for the Scoping Meeting.

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, 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.

The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Attachment A to GIP 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.

Within five (5) Business Days after the Scoping Meeting, the Distribution Provider shall provide the Interconnection Customer with an Independent Study Process Study Agreement in the form set forth in Appendix 4 to the GIP, which

shall contain an outline of the scope of the Interconnection System Impact Study and Interconnection Facilities Study, contain a non-binding good faith estimate of the cost to perform such studies, and shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs. The Interconnection Customer shall execute and deliver to the Distribution Provider the Independent Study Process Study Agreement no later than thirty (30) Calendar Days after the Scoping Meeting, or the Interconnection Request shall be deemed withdrawn.

5.8 Interconnection Studies

The Interconnection Studies shall consist of an Interconnection System Impact Study and an Interconnection Facilities Study. For Interconnection Requests received on and after December 1, 2012, the Interconnection Studies will also include the ISO's Transmission Plan. The analysis of impacts on, and upgrades required to, the ISO Grid will be directed by the ISO pursuant to the terms and conditions of Appendix Y of the ISO Tariff for Interconnection Requests received prior to December 1, 2012 or Appendix DD of the ISO Tariff for Interconnection Requests received on and after December 1, 2012. 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.

All cost estimates for Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades contained in the Interconnection Studies will be set forth in the Interconnection Study report in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of construction of the components being constructed.

5.8.1 Interconnection System Impact Study.

5.8.1.1 Scope of the Interconnection System Impact Study. The Interconnection System Impact Study will consist of a localized short circuit analysis, a stability analysis, a power flow analysis, and any other studies that are deemed necessary. The localized short circuit analysis will evaluate impacts to the Distribution System only with any local short circuit-duty related Reliability Network Upgrades allocated to the Generating Facility that requires the upgrades. Short circuit duty impacts to the ISO Grid are appropriately evaluated only in the Cluster Study Process as set forth in GIP Section 4. The short circuit duty contribution of any Interconnection Requests studied in the Independent Study Process that are subsequently identified in the Cluster Study Process will be allocated its pro rata share of the short circuit duty-related Reliability Network Upgrades on the basis of the short circuit duty contribution of each Generating Facility.

The Interconnection System Impact Study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested Interconnection Service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the Interconnection.

The Interconnection System Impact Study shall provide a list of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades that are required as a result of the Interconnection Request along with a non-binding good faith estimate of cost responsibility and the amount of construction time required.

5.8.1.2 Timing of the Interconnection System Impact Study Results.

The Distribution Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the execution of an Independent Study Process Study Agreement. The Distribution Provider will share applicable study results with the ISO for review and comment and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection System Impact Study report to the Interconnection Customer.

At any time the Distribution Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Distribution Provider shall notify the Interconnection Customers as to the schedule status of the Interconnection System Impact 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 Interconnection System Impact Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

Should the Interconnection Customer provide written comments on the final Interconnection System Impact Study report within ten (10) Business Days of receipt of the report, but in no event less than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the Distribution

Provider will address the written comments in the Interconnection System Impact Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the final Interconnection System Impact Study report up to (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the Distribution Provider (in consultation with the ISO) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the final Interconnection System Impact Study report with a revised study report or an addendum. The Distribution Provider will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.

5.8.1.3 Revisions and Addenda to Final Interconnection Study Reports.

5.8.1.3.1 Substantial Error or Omissions: Revised Study

Report. Should the Distribution Provider discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study report contains a substantial error or omission, the Distribution Provider, in consultation with the ISO, as applicable, will cause a revised final report to be issued to the Interconnection Customer. A substantial error or omission shall mean an error or omission that results in one or more of the following:

- (i) understatement or overstatement of the Interconnection Customer's cost responsibility for Network Upgrades by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater; or
- (ii) results in a delay to the schedule by which the Interconnection Customer can achieve Commercial Operation, based on the results of the final Interconnection Study, by more than one year.

A dispute over the plan of service by an Interconnection

Customer shall not be considered a substantial error or omission unless the Interconnection Customer demonstrates that the plan of service was based on an invalid or erroneous study assumption that meets the criteria set forth above.

5.8.1.3.2 Other Errors or Omissions: Addendum. If an error or omission in an Interconnection Study report is not a substantial error or omission, the Distribution Provider shall not issue a revised final Interconnection Study report, although the error or omission may result in an adjustment of the corresponding Interconnection Financial Security. Rather, the Distribution Provider shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The Distribution Provider shall also incorporate, as needed, any corrected information pertinent to the terms or conditions of the GIA in the draft GIA provided to an Interconnection Customer pursuant to GIP Section 5.10.

5.8.1.3.3 Only Substantial Errors or Omissions Adjust Posting Dates. Only substantial errors and omissions related to the Interconnection System Impact Study and Interconnection Facilities Study reports can result in adjustments to Interconnection Financial Security posting due dates. Once the initial and second Interconnection Financial Security posting due dates as described in this section have passed, the error or omission provisions described in this GIP Section 5.8.1.3.3 no longer apply. Unless the error or omission is a substantial error resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission shall not operate to delay any deadline for posting Interconnection Financial Security set forth in GIP Section 5.9.2. In the case of a substantial error or omission resulting in the issuance of a revised final Interconnection Study report, the deadline for posting Interconnection Financial Security shall be extended as set forth in GIP Section 5.9.2. In addition to issuing a revised final report, the Distribution Provider will promptly notify the Interconnection Customer of any revised posting amount and extended due date occasioned by a substantial error or omission.

An Interconnection Customer's dispute of a Distribution Provider determination that an error or omission in a final study report does not constitute substantial error shall not operate to change the amount of Interconnection Financial Security that the Interconnection Customer must post or to postpone the applicable deadline for the Interconnection Customer to post Interconnection Financial Security. In case of such a dispute, the Interconnection Customer shall post the amount of Interconnection Financial Security in accordance with GIP Section 5.9.2, subject to refund in the event that the Interconnection Customer prevails in the dispute.

5.8.1.4 Interconnection System Impact Study Results Meeting. If requested by the Interconnection Customer, a Results Meeting shall be held among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection System Impact Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection System Impact Study report is provided to the Interconnection Customer.

5.8.1.5 Initial Posting of Interconnection Financial Security. The Interconnection Customer shall make its initial posting of Interconnection Financial Security in accordance with the requirements of GIP Section 5.9.2, within sixty (60) Calendar Days after being provided with the final Interconnection System Impact Study report, or its Interconnection Request shall be deemed withdrawn. The initial posting of Interconnection Financial Security will be based on the cost responsibility for Network Upgrades, Distribution Upgrades, and Distribution Provider's Interconnection Facilities set forth in the final Interconnection System Impact Study report.

5.8.1.6 Modifications. 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.

At the Interconnection System Impact Study Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. After the issuance of the final Interconnection System Impact Study report, but no later than five (5) Business Days following the Interconnection System Impact 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 request for modification to the ISO, if applicable, within two (2) Business Days of receipt. If no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to Distribution Provider any requested modifications within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report.

Modifications permitted under this GIP Section 5.8.1.6 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Generating Facility technology or the Generating Facility step-up transformer impedance characteristics; (c) modifying the interconnection configuration; and (d) modifying the In-Service Date, Initial Synchronization Date, and/or Commercial Operation Date that meets the criteria set forth in GIP Section 3.9 and is acceptable to the Distribution Provider, such acceptance not to be unreasonably withheld. Changes to the deliverability status are not allowed.

For any modification other than these, the Interconnection Customer must first request that Distribution Provider evaluate whether such modification is a Material Modification as described below. In response to Interconnection Customer's request, Distribution Provider, in coordination with the ISO, 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. The Distribution Provider may, at its option, engage the services of the ISO to assist in the assessment of the 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 GIP Section 5.8.1.6, shall constitute a Material Modification. Interconnection Customer shall then either:

- (i) withdraw the proposed modification, or
- (ii) withdraw its Interconnection Request and submit a new Interconnection Request reflecting such modification.

For any modifications other than those permitted under this GIP Section 5.8.1.6, the Interconnection Customer shall provide the Distribution Provider a \$10,000 deposit for the modification assessment at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Interconnection Customer in writing, within forty-five (45) Calendar Days from the date the Distribution Provider receives all of the following: the Interconnection Customer's written notice to modify the project, technical data required to assess the request and payment of the \$10,000 deposit. The Distribution Provider shall coordinate the modification request with the ISO. If the modification assessment cannot be completed within that time period, the Distribution Provider shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. The Interconnection Customer will be responsible for the actual costs incurred by the Distribution Provider and, if applicable, the ISO in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance within thirty (30) Calendar Days of being invoiced. If the actual costs of the modification assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within thirty (30) Calendar Days of being invoiced.

The Interconnection Customer shall remain eligible to proceed with the Interconnection Facilities Study if the modifications are in accordance with this GIP Section 5.8.1.6.

5.8.2 Interconnection Facilities Study.

5.8.2.1 Scope and Purpose of the Interconnection Facilities Study.

Within (i) five (5) Business Days following the Results Meeting, or (ii) within twenty-five (25) Business Days of the receipt of the final Interconnection System Impact Study report if no Interconnection System Impact Study Results Meeting is held, the Interconnection Customer shall submit to the Distribution Provider the completed form of Attachment B ("Data Form To Be Provided

by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study”) to its Independent Study Process Study Agreement, a pro forma version of which is Appendix 4 to the GIP.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the Interconnection System Impact Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Distribution System. The Interconnection Facilities Study shall also identify (i) 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.

5.8.2.2 Waiver of the Interconnection Facilities Study. The Interconnection Facilities Study may be waived if the Interconnection System Impact Study does not identify any Distribution Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades and the Distribution Provider and Interconnection Customer mutually agree to the waiver.

5.8.2.3 Timing of the Interconnection Facilities Study. The Interconnection Facilities Study will be completed within ninety (90) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security in accordance with GIP Section 5.9.2, where Distribution Upgrades or Network Upgrades are identified. In cases where no Distribution Upgrades and/or Network Upgrades are identified and the required facilities are limited to Distribution Provider’s Interconnection Facilities only, the Interconnection Facilities Study will be completed within sixty (60) Calendar Days after the Interconnection Customer posts its initial Interconnection Financial Security.

The Distribution Provider will share the applicable study results with the ISO for review and comment, and will incorporate comments into the study report. The Distribution Provider will issue a final Interconnection Facilities 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 Interconnection Facilities Study, Distribution Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study and provide an estimated completion date. If the Distribution Provider is unable to complete the Interconnection Facilities 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 Interconnection Facilities Study, subject to confidentiality arrangements consistent with GIP Section 11.1.

5.8.2.4 Interconnection Facility Study Results Meeting. If requested by the Interconnection Customer, within ten (10) Business Days of the date of the issuance of the final Interconnection Facilities Study report, a Results Meeting shall be scheduled among the Distribution Provider, the ISO, if applicable, and the Interconnection Customer to discuss the results of the Interconnection Facilities Study, including assigned cost responsibility. Any such Results Meeting will be held within twenty (20) Business Days of the date the final Interconnection Facilities Study report is provided to the Interconnection Customer.

Should the Interconnection Customer provide written comments on the Interconnection Facilities Study report within ten (10) Business Days of receipt of the report, but in no case less than three (3) Business Days before the Results Meeting, whichever is sooner, then the Distribution Provider, ISO, or the Affected System Operator, as applicable, will address the written comments in the Interconnection Facilities Study Results Meeting. Should the Interconnection Customer provide comments at any later time (up to the time of the Results Meeting), then such comments shall be considered informal inquiries to which the Distribution Provider will provide informal, informational responses at the Results Meeting, to the extent possible.

The Interconnection Customer may submit, in writing, additional comments on the Interconnection Facilities Study report up to three (3) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received,

the Distribution Provider (in consultation with the ISO, as applicable) will determine, in accordance with GIP Section 5.8.1.3, whether it is necessary to follow the Interconnection Facilities Study Report with a revised study report or an addendum to the report. Written comments on the Interconnection Facilities Study report provided by the Interconnection Customer in accordance with this GIP Section 5.8.2.4 will be included as an addendum to the Interconnection Facilities Study report. The Distribution Provider will issue any such revised report or addendum, if required, to the Interconnection Customer, or otherwise respond in writing to the Interconnection Customer's comments, no later than fifteen (15) Business Days following the Results Meeting.

5.8.2.5 Second and Third Postings of Interconnection Financial Security. The Interconnection Customer will post its second posting and third postings of Interconnection Financial Security as set forth in GIP Sections 5.9.3 and 5.9.4, respectively, based on the cost responsibility for Network Upgrades, Distribution Upgrades, and the Distribution Provider's Interconnection Facilities set forth in the Interconnection Facilities Study, or the Interconnection System Impact Study if the Interconnection Facilities Study is waived in accordance with GIP Section 5.8.2.2.

5.8.2.6 Deliverability Assessment. Interconnection Customers that request Full Capacity Deliverability Status or Partial Capacity Deliverability Status in their Interconnection Request will have a Deliverability Assessment performed as part of the next available Cluster Study Process. If the succeeding Deliverability Assessment identifies any Delivery Network Upgrades, including any Local Delivery Network Upgrades and Area Delivery Network Upgrades as applicable depending on the date of the Interconnection Request, that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Delivery Network Upgrades calculated pursuant to GIP Section 4.5.4.2. If the Generating Facility achieves its Commercial Operation Date before the Deliverability Assessment is completed and any necessary Delivery Network Upgrades are yet to be constructed, the Generating Facility will be treated as an Energy-Only Deliverability Status Generating Facility until such time as the Delivery Network Upgrades are constructed and placed into service. If the Interconnection Customer and Distribution Provider have executed a GIA before the Deliverability Assessment is completed and any required Delivery Network Upgrades are subsequently allocated to Interconnection Customer, the GIA will be amended to include the Interconnection Customer's financial

responsibility and posting of Interconnection Financial Security for the Delivery Network Upgrades.

5.8.2.7 Extensions of Commercial Operation Date. Extensions of the Commercial Operation Date for Interconnection Requests under the Independent Study Process will not be granted except in circumstances beyond the control of the Interconnection Customer.

5.8.2.8 Financing of Distribution Provider's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades. The responsibility to finance Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Reliability Network Upgrades identified in the Interconnection Facilities Study shall be assigned solely to the Interconnection Request, with the exception of short circuit duty-related Reliability Network Upgrades for the ISO Grid identified in the Cluster Study Process, which will be allocated pro-rata based on the short circuit duty contribution of each Generating Facility requiring the upgrades.

5.8.2.9 Cost Responsibility For Delivery Network Upgrades. The cost responsibility for Delivery Network Upgrades identified in the Deliverability Assessment as part of the Cluster Study Process (for Interconnection Requests seeking Full Capacity Deliverability Status or Partial Capacity Deliverability Status) shall be assigned to the Interconnection Customer in accordance with the Cluster Study Process.

5.9 Interconnection Financial Security

5.9.1 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 GIP Section 5.9.1, the Interconnection Customer shall provide to the Distribution Provider replacement Interconnection Financial Security meeting the requirements of this GIP Section 5.9.1 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 GIP Section 5.9.1 will accrue to the Interconnection Customer's benefit.

5.9.2 Initial Posting of Interconnection Financial Security. On or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report, Interconnection Customer must post, with notice to the Distribution Provider, two separate Interconnection Financial Security instruments: (i) a posting relating to the Reliability Network Upgrades; and (ii) a posting relating to the Distribution Provider's Interconnection Facilities and Distribution Upgrades. If the Distribution Provider revises a final Interconnection System Impact Study report, the initial postings set forth in this GIP Section 5.9.2 will be due from the Interconnection Customer by the later of ninety (90) Calendar Days after issuance of the original final Interconnection System Impact Study report or thirty (30) Calendar Days after issuance of the revised final Interconnection System Impact Study report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact Study for Reliability 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) \$7,500,000.

The Interconnection Customer proposing to interconnect a Small Generating Facility 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 Interconnection System Impact Study for Reliability Network Upgrades, or (ii) \$20,000 per megawatt of electrical output of the Small 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.

Second, the Interconnection Customer shall also post an Interconnection Financial Security instrument in the amount of fifteen (15) percent of the total estimated cost responsibility assigned to the Interconnection Customer in the final Interconnection System Impact 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 GIP Section 5.9.2 shall result in the Interconnection Request being deemed withdrawn and subject to GIP Section 3.11.

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.

5.9.3 Second Posting of Interconnection Financial Security. On or before one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), the Interconnection Customer shall post two separate Interconnection Financial Security instruments. If the Distribution Provider revises a final Interconnection Facilities Study report, the postings set forth in this GIP Section 5.9.3 will be due from the Interconnection Customer by the later of one hundred-twenty (120) Calendar Days after issuance of the original

final Interconnection Facilities Study report or thirty (30) Calendar Days from the issuance of the revised final Interconnection Facilities Study Report.

First, the Interconnection Customer proposing to interconnect a Large Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$15 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

The Interconnection Customer proposing to interconnect a Small Generating Facility shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Reliability Network Upgrades equals the lesser of (i) \$1 million, or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Network Upgrades in either the final Interconnection System Impact Study or final Interconnection Facilities Study, whichever is lower.

Second, 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 (30) percent of the total cost responsibility assigned to the Interconnection Customer in the final Interconnection Facilities Study, or final Interconnection System Impact Study if the Interconnection Facilities Study is waived, 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 twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), that start date must be set forth in the Interconnection Customer's GIA and the Interconnection Customer shall make its second posting of Interconnection Financial Security pursuant to GIP Section 5.9.4 rather than GIP Section 5.9.3.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.3 shall result in the Interconnection Request being deemed withdrawn and subject

to GIP Section 3.11 or, if applicable, shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.4 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 GIP Section 5.9.3 as follows.

With respect to the Interconnection Financial Security instrument for Reliability Network Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Reliability Network Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

With respect to the Interconnection Financial Security instrument for Distribution Provider's Interconnection Facilities and Distribution Upgrades, the Interconnection Customer shall modify this instrument so that it equals one hundred (100) percent of the total cost responsibility assigned to the Interconnection Customer for Distribution Provider's Interconnection Facilities and Distribution Upgrades in the final Interconnection Facilities Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived.

The Interconnection Financial Security posting requirements for Delivery Network Upgrades shall be made pursuant to GIP Section 4.8.

The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this GIP Section 5.9.4 shall constitute grounds for termination of the GIA pursuant to GIA Article 2.3.

5.9.5 General Effect of Withdrawal of Interconnection Request or Termination of the GIA on Interconnection Financial Security.

Except as set forth in GIP Section 5.9.5.1, withdrawal of an Interconnection Request or termination of a GIA 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 GIP Section 10.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the final Interconnection Facilities

Study, or the final Interconnection System Impact Study if the Interconnection Facilities Study is waived, the Distribution Provider shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of a GIA 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.

5.9.5.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of GIA. A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with GIP Section 5.9.5.2, if the withdrawal of the Interconnection Request or termination of the GIA 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 GIA, 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 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.

Interconnection Customers that attested on the TP Deliverability allocation affidavit under Section 8.9.2, part (2), subpart (a) of Appendix DD to the ISO Tariff are ineligible to claim this condition for partial recovery of Interconnection Financial Security.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the GIA, 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 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 GIA 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 Interconnection System Impact Study to the Interconnection Facilities Study. This GIP Section 5.9.5.1 (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 5.8.1.6 of this GIP.
- (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 GIA based on a material change from the Interconnection System Impact Study in the Point of Interconnection for the Generating Facility mandated by the Distribution Provider and included in the final Interconnection Facilities 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.

5.9.5.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades.

- 5.9.5.2.1 Withdrawal Between the First Posting and the Deadline for the Second Posting.** If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, the Distribution Provider shall liquidate the Interconnection Financial Security for the

applicable Network Upgrades under GIP Section 5.9.2 and reimburse the Interconnection Customer the lesser of: (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$10,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.2 Withdrawal Between the Second Posting and the Commencement of Construction Activities. If the Interconnection Customer either withdraws its Interconnection Request or terminates its GIA under any of the applicable conditions (a)-(d) of GIP Section 5.9.5.1 and at any time between the second posting of the Interconnection Financial Security for applicable Network Upgrades and the commencement of Construction Activities for such Network Upgrades, then the Distribution Provider shall liquidate the Interconnection Financial Security for the applicable Network Upgrades under GIP Section 5.9.3 and reimburse the Interconnection Customer the lesser of (a) the Interconnection Financial Security plus any other provided security plus any separately provided capital less all costs and expenses incurred or irrevocably committed to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, or (b) the Interconnection Financial Security plus any other provided security plus any separately provided capital minus the lesser of (i) fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or (ii) \$20,000 per requested and approved megawatt value of the Generating Facility Capacity at the time of withdrawal.

5.9.5.2.3 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority. If, at any time after the second posting requirement under GIP Section 5.9.3, the Interconnection Customer withdraws the Interconnection

Request or terminates the GIA, as applicable, in accordance with GIP Section 5.9.5.1 (b), and the Delivery Network Upgrades to be financed by the Interconnection Customer are also to be financed by one or more other Interconnection Customers, then GIP Section 5.9.5.2.1 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.

5.9.5.2.4 After Commencement of Construction Activities.

Except as otherwise provided in GIP Section 5.9.5.2.3, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the GIA by the Interconnection Customer will be treated as follows: The Distribution Provider shall 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 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer, the Distribution Provider shall remit to the Interconnection Customer the excess amount. Withdrawal of an Interconnection Request or termination of a GIA 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 or Distribution Upgrades and for which the Distribution Provider has not been reimbursed in accordance with this section.

5.9.5.2.5 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 thirty (30) Calendar Days of any liquidating event, the Distribution Provider will provide the ISO 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 GIP Section 5.9.5. All non-refundable portions of the Interconnection Financial Security remitted to the ISO in accordance with this GIP Section 5.9.5 shall be treated in accordance with Section 7.6 of Appendix DD to the ISO Tariff.

5.9.6 Maximum Cost Responsibility for Interconnection Customers. The maximum value for the Interconnection Customer's Interconnection Financial Security for Reliability Network Upgrades shall be established by the lesser of the costs for Reliability Network Upgrades assigned to the Interconnection Customer in the final Interconnection System Impact Study report or final Interconnection Facilities Study report.

5.10 Generator Interconnection Agreement (GIA)

5.10.1 Tender. Within thirty (30) Calendar Days after (i) the Results Meeting for the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or (ii) the Distribution Provider provides the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) to the Interconnection Customer if a Results Meeting is not held, the Distribution Provider shall tender a draft GIA, together with draft appendices. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 6 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

5.10.2 Negotiation. Notwithstanding GIP Section 5.10.1, at the request of Interconnection Customer Distribution Provider shall begin negotiations with Interconnection Customer concerning the appendices to the GIA at any time after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived). Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) Calendar Days after the Distribution Provider provides the Interconnection Customer with the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection

Facilities Study is waived). 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 GIA pursuant to GIP Section 5.10.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), fails to request either the filing of the unexecuted GIA 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 GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

The Distribution Provider may declare an impasse upon one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived), or at anytime following one hundred twenty (120) Calendar Days after issuance of the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) if the Parties have agreed to extend negotiation of the GIA. If the Distribution Provider declares an impasse, the Distribution Provider will file the GIA unexecuted with FERC within twenty one (21) Calendar Days.

Anytime after the final Interconnection Facilities Study report (or final Interconnection System Impact Study report if the Interconnection Facilities Study is waived) is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to negotiate the GIA, and (ii) to construct the longest lead Network Upgrade, Interconnection Facility, or Distribution Upgrade as set forth in the Interconnection Study reports, the Interconnection Request shall be deemed withdrawn pursuant to GIP Section 3.11.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9.

Section 6. Fast Track Process

6.1 Eligibility and Timing For Submitting Interconnection Requests

6.1.1 Eligibility

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility's capacity does not exceed the size limits identified in the table below in this GIP Section 6.1.1. Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Generating Facility will pass the Fast Track screens in GIP Section 6.5 below or the Supplemental Review screens in GIP Section 6.11 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below in this GIP Section 6.1.1) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Generating Facility must meet the codes, standards, and certification requirements of GIP Appendices 8 and 9 of these procedures, or the Distribution Provider has to have reviewed the design or tested the proposed Generating Facility and is satisfied that it is safe to operate.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ¹ and ≤ 2.5 Electrical Circuit Miles from Substation ²
< 5 kV	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW

≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

¹For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

²An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to GIP Section 3.1.

6.1.2 **Timing For Submitting Interconnection Requests**

An Interconnection Customer may submit an Interconnection Request for processing under the Fast Track Process at any time during the year.

6.2 **Interconnection Request**

The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider, together with a non-refundable processing fee of \$500 and a non-refundable study deposit of \$1,000. Interconnection Customers requesting interconnection under the Fast Track Process may only select Energy-Only Deliverability Status. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Distribution Provider within three (3) Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Distribution Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Distribution Provider.

6.3 **Site Exclusivity**

Documentation of Site Exclusivity must be submitted with the Interconnection Request.

6.4 **Initial Review**

Within fifteen (15) Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, and qualifies for evaluation under the Fast Track Process, the Distribution Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens.

6.5 Screens

- 6.5.1** The proposed Generating Facility's Point of Interconnection must be on a portion of the Distribution Provider's Distribution System that is subject to the Tariff.
- 6.5.2** For interconnection of a proposed Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 6.5.3** For interconnection of a proposed Generating Facility to the load side of spot network protectors, the proposed Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW. For purposes of this GIP Section 6.5.3, a spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).
- 6.5.4** The proposed Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 6.5.5** The proposed Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.

6.5.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Distribution Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

6.5.7 If the proposed Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Generating Facility, shall not exceed 20 kW.

6.5.8 If the proposed Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.

6.5.9 The Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the Point of Interconnection).

6.5.10 No construction by the Distribution Provider of Network Upgrades on the ISO Grid or Distribution Upgrades on the Distribution System other than those upgrades solely attributable to the Generating Facility shall be required to accommodate the Generating Facility.

6.6 If the proposed interconnection passes the screens and does not trigger the need for the installation of new equipment or modification of existing equipment, the Interconnection Request shall be approved and the Distribution Provider will

provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

If the proposed interconnection passes the screens and triggers the need for the installation of new equipment or modification of existing equipment, within fifteen (15) Business Days after the determination, the Distribution provider will provide the Interconnection Customer the scope, cost and time to complete the modifications required to interconnect the proposed Generating Facility. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days from the time the Distribution Provider provides the scope, cost and time to complete the required system modifications.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

- 6.7** If the proposed interconnection fails the screens, but the Distribution Provider determines that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the determination.

Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.8 If the proposed interconnection fails the screens, and the Distribution Provider does not or cannot determine from the initial review that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

6.9 Customer Options Meeting

If the Distribution Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost, (2) a supplemental study or other additional studies or actions, or (3) incurring significant cost to address safety, reliability, or power quality problems, the Distribution Provider shall notify the Interconnection Customer of that determination within five (5) Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten (10) Business Days of the Distribution Provider's determination, the Distribution Provider shall offer to convene a customer options meeting with the Distribution Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Generating Facility to be connected safely and reliably. At the time of notification of the Distribution Provider's determination, or at the customer options meeting, the Distribution Provider shall:

6.9.1 Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and discuss the potential for, and the Interconnection Customer's willingness to consider, modifications to the Interconnection Customer's proposed facilities that may permit the Generating Facility to be interconnected consistent with safety, reliability, and power quality standards. If the Interconnection Customer and Distribution Provider agree upon such modifications to the Interconnection Customer's proposed facilities, within fifteen (15) Business Days of such agreement, the Distribution provider will provide a non-binding good faith estimate of the scope, cost and time to complete any required modifications to the Distribution Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, the Distribution Provider will provide the Interconnection Customer with a draft GIA within fifteen (15) Business Days of the time the Distribution Provider provides the scope, cost and time to complete the required system modifications; or

6.9.2 Offer to perform a supplemental review in accordance with GIP Section 6.10 and provide a non-binding good faith estimate of the costs of such review; or

6.9.3 Offer to continue to evaluate the Interconnection Request under the Independent Study Process without loss of queue position except under the conditions set forth in GIP Section 5.1.1, in which case the Interconnection Customer must submit the Interconnection Study Deposit set forth in GIP Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days of the offer or the Interconnection Request shall be deemed withdrawn.

6.10 Supplemental Review

6.10.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the Distribution Provider's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If the written agreement and deposit have not been received by the Distribution Provider within that timeframe, the Interconnection Request shall be deemed withdrawn.

6.10.2 The Interconnection Customer may specify the order in which the Distribution Provider will complete the screens in GIP Section 6.11.

6.10.3 The Interconnection Customer shall be responsible for the Distribution Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within twenty (20) Business Days of the invoice without interest.

6.11 Within thirty (30) Business Days following receipt of the deposit for a supplemental review, the Distribution Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Distribution Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection Customer accepted the offer of supplemental review, the Distribution Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in GIP Section 6.11.1, within two (2) Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this GIP Section 6.11; (2) terminate the supplemental review and continue evaluating the Generating Facility under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days

after the date of notification; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer. If the Interconnection Customer does not provide its permission under any of these three options within five (5) Business Days after the Distribution Provider's request for such permission, the Interconnection Request shall be deemed withdrawn.

6.11.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Distribution Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under GIP Section 6.11.

6.11.1.1 The type of generation used by the proposed Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of the screen described in GIP Section 6.11.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load.

6.11.1.2 When this screen is being applied to a Generating Facility that serves some station service load, only the net injection into the Distribution Provider's electric system will be considered as part of the aggregate generation.

6.11.1.3 Distribution Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

6.11.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.

- 6.11.3** Safety and Reliability Screen: The location of the proposed Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of a study process. The Distribution Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.
- 6.11.3.1** Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).
- 6.11.3.2** Whether the loading along the line section is uniform or even.
- 6.11.3.3** Whether the proposed Generating Facility is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- 6.11.3.4** Whether the proposed Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- 6.11.3.5** Whether operational flexibility is reduced by the proposed Generating Facility, such that transfer of the line section(s) of the Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.
- 6.11.3.6** Whether the proposed Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.
- 6.11.4** If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in GIP Sections 6.11.4.1 and 6.11.4.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the Independent Study Process consistent with GIP Section 6.11.4.3 below.
- 6.11.4.1** If the proposed interconnection passes the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above and does not

require construction of facilities by the Distribution Provider on its own system, the GIA shall be provided within fifteen (15) Business Days after the notification of the supplemental review results.

6.11.4.2 If interconnection facilities or minor modifications to the Distribution Provider's system are required for the proposed interconnection to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2 and 6.11.3 above, and the Interconnection Customer agrees to pay for the modifications to the Distribution Provider's electric system, a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within fifteen (15) Business Days following such determination. The Distribution Provider will provide the Interconnection Customer a draft GIA within fifteen (15) Business Days after the Distribution Provider provides the scope, cost and time to complete the required system modifications.

6.11.4.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Distribution Provider's system to pass the supplemental screens in GIP Sections 6.11.1, 6.11.2, and 6.11.3 above, the Distribution Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the Independent Study Process subject to the conditions set forth in GIP Section 5.1.1, provided the Interconnection Customer submits the Interconnection Study Deposit set forth in Section 5.2.1 to the Distribution Provider within fifteen (15) Business Days after the date of notification, unless the Interconnection Customer withdraws its Interconnection Request.

6.11.5 Notwithstanding modifications made pursuant to the supplemental review, Interconnection Customer retains financial responsibility for any Interconnection Facilities, Distribution Upgrades, or Network Upgrades determined by subsequent engineering or study work, such as final engineering and design work, or other future operational or other technical study, such as to identify and determine the cost of any Distribution Provider's Interconnection Facilities required by the Generating Facility, or of short circuit duty-related Reliability Network Upgrades as assigned to the Interconnection Request during the Cluster Study Process as set forth in GIP Section 4, that are attributable to the Interconnection Request. If future engineering or other study work determines that the Interconnection Customer is financially responsible for Interconnection

Facilities, Distribution Upgrades, or Network Upgrades identified in these future studies, the GIA will be amended to assign the Interconnection Customer financial responsibility for such facilities and upgrades.

6.12 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Generating Facility not agreed to in writing by the Distribution Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

6.13 Generator Interconnection Agreement

6.13.1 Tender. The draft GIA shall be in the form of Distribution Provider's FERC-approved form GIA, which is in Appendix 7 to the GIP. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices within thirty (30) Calendar Days.

6.13.2 Negotiation. Distribution Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer. 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 GIA pursuant to GIP Section 6.13.1 and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to GIP Section 11.2. If Interconnection Customer requests termination of the negotiations, but within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, fails to request either the filing of the unexecuted GIA 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 GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to GIP Section 11.2 within ninety (90) Calendar Days after the Distribution Provider tenders the draft GIA to the Interconnection Customer, it shall be deemed to have withdrawn its Interconnection Request. Distribution Provider shall provide to Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

Execution of the GIA and the filing of the GIA at FERC are addressed in GIP Section 9 of the GIP.

Section 7. Under 10 kW Inverter Process

7.1 Applicability of Under 10 kW Inverter Process

The Under 10 kW Inverter Process is available to an Interconnection Customer proposing to interconnect its Generating Facility with the Distribution Provider's Distribution System if the Generating Facility is a certified inverter-based Generating Facility no larger than 10 kW. The form of Interconnection Request and the process for evaluating a request to interconnect such a Generating Facility are set forth in Appendix 10 to the GIP.

7.2 Timing For Submitting Interconnection Requests

An Interconnection Customer may submit an Interconnection Request for processing under the Under 10 kW Inverter Process at any time during the year.

Section 8. Engineering & Procurement ('E&P') Agreement

Prior to executing a GIA, 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 GIP. 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 9. Generator Interconnection Agreement

9.1 Execution and Filing

Interconnection Customer shall either: (i) execute two originals of the tendered GIA and return them to Distribution Provider; or (ii) request in writing that Distribution Provider file with FERC a GIA 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 GIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted GIA, Distribution Provider shall file the GIA 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 GIA. An unexecuted GIA 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 GIA, they may proceed pending FERC action.

9.2 Commencement of Interconnection Activities

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

9.3 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 GIP and the terms of the Distribution Provider's Interconnection Handbook, the terms in the GIP shall govern.

Section 10. Construction of Distribution Provider's Interconnection Facilities, Distribution Upgrades, and Network Upgrades and Funding of Network Upgrades

10.1 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.

10.2 Construction of Network Upgrades

With the exception of Local Delivery Network Upgrades and Area Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the Distribution Provider. Interconnection Customers for Option (B) Generating Facilities that were not allocated TP Deliverability may, at their discretion, select parties other

than the Distribution Provider to construct certain Local Delivery Network Upgrades and Area Delivery Network Upgrades required by their Option (B) Generating Facilities that were not allocated TP Deliverability, if such Local Delivery Network Upgrades and Area Delivery Network Upgrades are eligible for construction by parties other than the Distribution Provider pursuant to Section 24.5.2 of the ISO Tariff. Such Local Delivery Network Upgrades and Area Delivery Network Upgrades will be incorporated into the ISO Grid pursuant to the provisions for merchant transmission facilities in ISO Tariff Sections 24.4.6.1 and 36.11. Unless Interconnection Customers for Option (B) Generating Facilities that were not allocated TP Deliverability elect construction by a party other than the Distribution Provider, the Distribution Provider will be obligated to construct the Local Delivery Network Upgrades and Area Delivery Network Upgrades. This section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrades in accordance with the GIA.

10.3 Construction Sequencing

10.3.1 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 GIA of the Interconnection Customer(s) associated with the Distribution Upgrades, Stand Alone Network Upgrades or other Network Upgrades.

10.3.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than Interconnection Customer. The Distribution Provider shall be responsible for constructing any Network Upgrades necessary to support the interconnection of the Generating Facility of an Interconnection Customer with a GIA whenever the Network Upgrades were included in the interconnection Base Case data 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 and effective GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, and such GIA specifies that the Distribution Provider would finance and construct the Network Upgrades, and either:

- (i) the Network Upgrades will not otherwise be completed because such GIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or

- (ii) 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 GIA (or its equivalent predecessor agreement), and
- (iii) the Distribution Provider, in coordination 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

Where the Distribution Provider is constructing Area Delivery Network Upgrades for Option (B) Interconnection Customers and either (i) or (ii) above occurs, the Distribution Provider shall continue to construct such Area Delivery Network Upgrades with financing provided from the Interconnection Financial Security of those Option (B) Interconnection Customers' in the same Group Study, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers in the same Group Study who still need the Area Delivery Network Upgrades to achieve Full Capacity Deliverability Status or Partial Capacity Deliverability Status. In no case will the Distribution Provider become financially responsible for Area Delivery Network Upgrades required for Option (B) Interconnection Customers.

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 GIP Section 10.3.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under the applicable Interconnection Studies.

10.3.3 Advancing Construction of Distribution Upgrades and Network Upgrades that are Part of an Expansion Plan of the Distribution Provider. An Interconnection Customer with a GIA, 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 GIA, for any expediting costs paid for Network Upgrades.

10.4 Initial Funding of Network Upgrades

10.4.1 Initial Funding of Network Upgrades for Interconnection Requests in the Cluster Study Process.

10.4.1.1 For Queue Cluster 4. For Interconnection Requests in Queue Cluster 4 processed under the Cluster Study Process, Reliability and Delivery Network Upgrades 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). 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). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s).

10.4.1.2 For Queue Cluster 5 and Subsequent Queue Clusters. For Interconnection Requests in Queue Cluster 5 and subsequent Queue Clusters processed under the Cluster Study Process, Reliability Network Upgrades and Local Delivery Network Upgrades 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). The Distribution Provider shall be responsible for funding any capital costs for the Reliability Network Upgrades and Local Delivery Network Upgrades that

exceed the total cost responsibility for Reliability Network Upgrades and Local Delivery Network Upgrades assigned to the Interconnection Customer(s). The Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Upon the Commercial Operation Date of the Generating Facility, the Interconnection Customer shall be entitled to a repayment, in accordance with the methodology set for in Article 11.4 of the GIA, for the Interconnection Customer's contribution to the cost of (a) Reliability Network Upgrades up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA, and (b) Local Delivery Network Upgrades, except for Local Delivery Network Upgrades for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's assigned cost responsibility. Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Local Delivery Network Upgrades.

Where the funding responsibility for Area Delivery Network Upgrades being constructed by the Distribution Provider has been assigned to Option (B) Interconnection Customers, the Distribution Provider shall invoice the Interconnection Customer under Article 12.1 of the GIA up to the maximum amount no greater than that established by the cost responsibility assigned to the Interconnection Customer(s). Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for Area Delivery Network Upgrades.

10.4.2 Initial Funding of Network Upgrades for Interconnection Requests in the Independent Study Process. For Interconnection Requests processed under the Independent Study Process, 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 either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election.

10.4.3 Initial Funding of Network Upgrades for Interconnection Requests in the Fast Track Process. For Interconnection Requests processed under the Fast Track Process, unless the Distribution Provider elects to fund the full capital for identified Reliability Network Upgrades, they shall be funded by the Interconnection Customer by the provision of additional capital.

10.4.4 Effect of Extension of Commercial Operation Date on Funding

Responsibility. Any permissible extension of the Commercial Operation Date of a 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 Generating Facilities that have also been assigned cost responsibility for the Network Upgrades.

10.5 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 11. Miscellaneous

11.1 Confidentiality

For the purposes of this GIP Section 11.1, "Party" or "Parties" shall mean the Distribution Provider, Interconnection Customer, ISO, or any combination of the Distribution Provider, Interconnection Customer, or ISO.

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.

11.1.1 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 GIA; or (6) is required, in accordance with GIP Section 11.1.6, 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 GIA. 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.

11.1.2 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, Affected Systems, 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 GIP Section 11.1 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 GIP Section 11.1.

11.1.3 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.

11.1.4 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.

11.1.5 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.

11.1.6 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 these confidentiality provisions. 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.

11.1.7 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 GIP Section 11.1. 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 GIP Section 11.1, 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 GIP Section 11.1, 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 GIP Section 11.1.

11.1.8 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this GIP Section 11.1 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 GIP, 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 GIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR

section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

11.1.9 Subject to the exception in GIP Section 11.1.8, 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 GIP 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.

11.1.10 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).

11.1.11 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.

11.2 Disputes

11.2.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the GIP, 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.

11.3 Local Furnishing Bonds

11.3.1 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 GIA and GIP, Distribution Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this GIA and GIP 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.

11.3.2 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.

11.4 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 GIP 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 GIA to Interconnection Customer but Interconnection Customer has not either executed the GIA or requested the filing of an unexecuted GIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor distribution provider.