

APPENDIX 4 to GIP

INDEPENDENT STUDY PROCESS STUDY AGREEMENT For the Independent Study Process

THIS INDEPENDENT STUDY PROCESS STUDY AGREEMENT
("AGREEMENT") is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and _____ a _____ existing under the laws of the State of _____, ("Distribution Provider"). Interconnection Customer and Distribution Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with the Distribution System pursuant to the Independent Study Process; and

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

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Distribution Provider's FERC approved GIP.
- 2.0 Interconnection Customer elects and Distribution Provider shall cause to be performed Interconnection Studies consistent with Section 5 of the GIP.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Attachments A and B to this Agreement.

- 4.0 The Interconnection Studies will be based upon the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 5.8.1.6 of the GIP. Distribution Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the GIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIP.
- 6.0 Interconnection Customer shall provide Interconnection Financial Security in accordance with GIP Section 5.9.2 on or before sixty (60) Calendar Days after issuance of the final Interconnection System Impact Study report.
- 7.0 Upon completion of the Interconnection Studies, Distribution Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies pursuant to Section 3.3.3.4 of the GIP.
- 8.0 The Distribution Provider may provide copies of the Interconnection Studies results to the ISO, an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from any Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 9.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the Distribution Provider provides the Interconnection Studies results to the Interconnection Customer. Interconnection Studies results will reflect available data at the time the Distribution Provider provides the Interconnection Study reports to the Interconnection Customer. The Distribution Provider shall not be responsible for any additional costs for Distribution Provider's Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, Area Delivery Network Upgrades and Local Delivery Network Upgrades, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.
- 10.0 The Distribution Provider shall maintain records and accounts of all costs incurred in performing the Interconnection Studies in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a

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

- 11.0 In accordance with Section 3.11 of the GIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the Distribution Provider. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 5.2.1.1 and 11.1 of the GIP.
- 12.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the Distribution Provider. If the Distribution Provider does not receive the fully executed Agreement pursuant to Section 5.7 of the GIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the Distribution Provider pursuant to Section 3.11 of the GIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution.
 - 13.1.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the GIP.
 - 13.1.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute

to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13.1.2, the terms of this Section 13.1.2 shall prevail.

- 13.1.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, Distribution Upgrades, or Network Upgrades.
- 13.1.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 11.1 of the GIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

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

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

- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 13.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

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

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

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

By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

[Insert name of Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

**Attachment A
Independent Study Process
Study Agreement**

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

The Interconnection System Impact Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 5.8.1.6 of the GIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested:

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

_____ Energy-Only Deliverability Status

NOTICE: YOUR CHOICE OF DELIVERABILITY STATUS CAN AFFECT YOUR ABILITY TO QUALIFY YOUR GENERATING FACILITY AS A RESOURCE ADEQUACY RESOURCE OR AFFECT YOUR TRANSACTIONS FOR SALE OF POWER. PLEASE GIVE CONSIDERATION TO YOUR CHOICE OF DELIVERABILITY STATUS.

**Attachment B
Independent Study Process
Study Agreement**

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

Generating Facility size (MW): _____

Provide location plan and one-line diagram of the plant and station facilities.

One set of metering is required for each generation connection to the new bus or existing Distribution Provider station or distribution line. Number of generation connections:

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

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

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No

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

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

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

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

Number of third party easements required for transmission lines*:

* To be completed in coordination with Distribution Provider.

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

____ Yes ____ No Local service provider for auxiliary and other power:

Please provide proposed schedule dates:

Environmental survey start: Date _____

Environmental impact report submittal: Date _____

Procurement of project equipment: Date _____

Begin Construction Date: _____

In-Service Date Date: _____

Trial Operation Date: _____

Commercial Operation Date: _____

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

_____ Energy-Only Deliverability Status

_____ Full Capacity Deliverability Status

_____ Partial Capacity Deliverability Status for _____ MW of Generating Facility capacity

TP Deliverability: Choose one of the following:

_____ Option (A), which means that the Generating Facility requires TP Deliverability to be able to continue to commercial operation.

_____ Option (B), which means that the Interconnection Customer will continue to commercial operation without an allocation of TP Deliverability.

Please provide any additional modification request pursuant to GIP Section 5.8.1.6: