



May 16, 2024

The Honorable Debbie-Anne A. Reese
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER24- ____ -000**

Tariff Amendment to Comply with Order No. 2023

Dear Secretary Reese:

The California Independent System Operator Corporation (“CAISO”) submits this tariff amendment to comply with Order No. 2023,¹ which the Commission issued to “ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, and [which] will prevent undue discrimination.”² The CAISO strongly supports the goals set forth in Order No. 2023 to ensure that interconnection customers “are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner,” preventing undue discrimination, reducing interconnection queue backlogs, and providing greater certainty during the interconnection process.³ The CAISO’s proposed interconnection reforms in this compliance filing achieve these goals and address CAISO-specific needs. Although the CAISO’s interconnection procedures have progressed substantially in the 20+ years since Order No. 2003, the CAISO is able to adopt virtually all of Order No. 2023’s proposed reforms. The CAISO respectfully requests that the Commission accept this filing in compliance with the requirements of Order No. 2023.

¹ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023 184 FERC ¶ 61,054 (2023) (“Order No. 2023”), *order on reh’g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024) (“Order No. 2023-A”). Order Nos. 2023 and 2023-A are sometimes referred to collectively in this transmittal letter as “Order No. 2023,” but not where distinguishing between those two Commission issuances is necessary.

² The CAISO submits this filing pursuant to section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d. Capitalized terms not otherwise defined herein have the meanings set forth in the CAISO tariff, and references to specific sections, articles, and appendices are references to sections, articles, and appendices in the current CAISO tariff and revised or proposed in this filing, unless otherwise indicated.

³ Order No. 2023 at PP 1, 48; Order No. 2023-A at P 10.

I. Introduction

California's ambitious decarbonization goals have resulted in an unprecedented numbers of interconnection requests from interested resource developers. Because the CAISO's interconnection processes were designed for the typical 75-125 interconnection requests each year, the CAISO and its transmission owners have been challenged to keep pace with the volume of interconnection requests: 373 in cluster 14 and 541 in cluster 15. So far, the CAISO and transmission owners have met these challenges, recently completing the final Phase II interconnection studies for cluster 14, which consists of 204 interconnection customers with 65,506 MW of capacity, 125 percent of the CAISO's historic peak demand. These interconnection customers now have completed interconnection studies with firm cost caps, and can proceed toward finding off-takers and executing generator interconnection agreements.

The CAISO also has published a final proposal in its Interconnection Process Enhancements stakeholder initiative, and intends to take that proposal to its Board of Governors before submitting the tariff revisions to the Commission this summer.⁴ Those tariff revisions are intended to address the CAISO's current queue volume and future intake. The CAISO and its stakeholders seek to re-imagine the grid interconnection, prioritization, and coordination processes to ensure resource procurement and queuing are effectively oriented toward planned and existing transmission and interconnection capacity. These processes must also align with transmission development necessary for longer-term resource expansion. The 2023 Interconnection Process Enhancements ("IPE") initiative is part of a larger set of foundational framework improvements coordinated among the California Public Utilities Commission ("CPUC"), the California Energy Commission, and the CAISO. Their strategic direction to address interconnection and transmission policy is set forth in a joint Memorandum of Understanding signed by the three parties in December 2022.⁵

As such, Order No. 2023 comes at an opportune time for the CAISO. In IPE, the CAISO was developing very similar reforms to those in Order No. 2023, including site control requirements, streamlined study processes, and firm Generator Interconnection Agreement ("GIA") execution deadlines, among others. The CAISO cannot proceed with cluster 15's extreme volume without the reforms Order No. 2023 requires. Delaying the transition to future clusters when cluster 15 is already paused would only exacerbate current challenges and cascade even worse delays to future clusters. Even without cluster 15, load-serving entities have 439 active interconnection requests

⁴ <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Interconnection-process-enhancements-2023>. Those FPA § 205 tariff revisions will be premised on the tariff revisions in this filing, but will supplement—not interfere—with the CAISO's proposed compliance revisions. The CAISO's compliance with Order No. 2023 is not dependent or waiting on the CAISO's tariff revisions from IPE.

⁵ <http://www.caiso.com/Documents/ISO-CEC-and-CPUC-Memorandum-of-Understanding-Dec-2022.pdf>.

comprising 120,346 MW of capacity to choose from. This is enough generation to meet the CAISO's historic peak demand 2.3 times over. Every one of these requests has completed interconnection studies.

The Commission has enabled other Independent System Operators ("ISOs")/Regional Transmission Organizations ("RTOs") to overhaul their interconnection processes,⁶ and now is the ideal time for the CAISO to do so as well. The CAISO and its transmission owners always adhered to the interconnection study schedule before cluster 14 because that schedule was precisely attuned to the transmission planning process. For the CAISO to overhaul its interconnection processes, it must re-align its schedule with the transmission planning process. Complying with Order No. 2023, as the CAISO proposes here, is fundamental to that re-alignment.

II. Background

A. Order Nos. 2023 and 2023-A

In Order No. 2023, the Commission revised its *pro forma* Large Generator Interconnection Procedures ("*pro forma* LGIP"), *pro forma* Large Generator Interconnection Agreement ("*pro forma* LGIA"), *pro forma* Small Generator Interconnection Procedures ("*pro forma* SGIP"), and *pro forma* Small Generator Interconnection Agreement ("*pro forma* SGIA") to "ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner" while also "prevent[ing] undue discrimination."⁷ These revisions to the *pro forma* interconnection procedures and agreements include various changes to implement a first-ready, first-served cluster study process, increase the speed of interconnection queue processing, and incorporate technological advancements into the interconnection process.⁸ The Commission explained that absent the revisions, "the current interconnection process will continue to cause interconnection queue backlogs, longer development timelines, and increased uncertainty regarding the cost and timing of interconnecting to the transmission system."⁹

⁶ *PJM Interconnection LLC*, 181 FERC ¶ 61,162 (2022).

⁷ Order No. 2023 at P 1; Order No. 2023-A at P 1. Order Nos. 2023 also added new section (f)(1)(ii) to 18 CFR § 35.28(f)(1) to specify that any public utility that conducts interconnection studies shall be subject to and eligible to appeal penalties following that public utility's failure to complete an interconnection study by the appropriate deadline. See Order No. 2023 at P 995.

⁸ See Order No. 2023 at PP 4-8; Order No. 2023-A at PP 2-4.

⁹ Order No. 2023 at P 37. The application of the independent entity variation standard is discussed further below in section III of this transmittal letter.

The Commission required each transmission provider to submit a filing to comply with the directives in Order Nos. 2023 and 2023-A by May 16, 2024.¹⁰ The Commission specified that, “[c]onsistent with Order Nos. 2003, 2006, and 845, we adopt the NOPR [Notice of Proposed Rulemaking for Order No. 2023] proposal to continue to use the ‘independent entity variation’ standard when considering . . . proposals from RTOs/ISOs to “deviate from the requirements of” Order No. 2023.¹¹ The Commission reiterated in Order No. 2023-A that it would apply the independent entity variation standard to such proposals contained in Order No. 2023 compliance filings submitted by RTOs/ISOs.¹²

B. CAISO Interconnection Process

The CAISO begins a new interconnection cluster study each April.¹³ The purpose of cluster studies is to identify the interconnection facilities and network upgrades necessary to integrate the new resource seeking interconnection to the transmission system, to estimate the costs of those upgrades and allocate those costs among interconnection customers sharing upgrades. The cluster study approach has proved an effective way to manage a large number of simultaneous interconnection requests. The cluster study methodology layers the new cluster of generation upon all existing generation and previous interconnection requests and network upgrades approved through the CAISO’s transmission planning process.

The CAISO’s interconnection study process is unique among ISO/RTOs in (1) identifying all contingent facilities that could affect an interconnection customer’s costs or timing, (2) providing cost estimates for these facilities, and, most critically, (3) creating binding cost caps based on those estimates.¹⁴ Today, the interconnection customer’s maximum cost responsibility is the lower sum of the interconnection customer’s (1) full cost of assigned interconnection reliability network upgrades and

¹⁰ Specifically, the Commission originally directed transmission providers to submit their compliance filings within 90 days after Order No. 2023 was published in the Federal Register (*i.e.*, by April 3, 2024), but in Order No. 2023-A, the Commission revised the schedule to require filings to comply with both Order Nos. 2023 and 2023-A to be submitted within 30 days after Order No. 2023-A was published in the Federal Register – *i.e.*, by May 16. See Order No. 2023 at P 1762; Order No. 2023-A at P 667; 89 Fed. Reg. 27006 (Apr. 16, 2024).

¹¹ Order No. 2023 at P 1764. The Commission also stated that in Order No. 2023 “we make no changes to the standards used to judge requested variations, as described in Order Nos. 888, 890, 2003, 2006, and 845.” *Id.*

¹² Order No. 2023-A at P 47.

¹³ Section 3.3.1 of Appendix DD to the CAISO tariff. Section 25 of the CAISO tariff establishes who must submit interconnection requests. Appendix DD to the CAISO tariff contains the CAISO’s interconnection procedures, and Appendix EE to the CAISO tariff is the CAISO’s *pro forma* large generator interconnection agreement.

¹⁴ See Sections 6.3 and 14.2.2 of Appendix DD to the CAISO tariff.

(2) allocated costs for all other assigned network upgrades, from its Phase I or Phase II interconnection studies.¹⁵ Moreover, under the CAISO tariff, interconnection customers only *finance* network upgrades; they do not pay for them.¹⁶ Upon commercial operation, the transmission owner reimburses the interconnection customer for all network upgrade financing costs, and then includes those costs in its transmission revenue requirements.¹⁷

If upgrade assignments or cost allocations change after the interconnection customer has been studied, the interconnection customer cannot inherit any new costs exceeding the cost caps provided in its interconnection studies. Such exceedance would be covered by the interconnecting transmission owner and any non-refundable portion of interconnection financial security of withdrawn interconnection customers allocated to the relevant upgrade.¹⁸ Although to date transmission owners rarely must cover such costs, interconnection customers' binding cost caps provide crucial transparency to interconnection customers as they develop, market, and finance their projects. This transparency provides crucial risk management to developers. The cost caps also obviate any need to conduct serial restudies based on changes in upgrade cost responsibility. Interconnection customers can rely on their interconnection studies without fear of changes late in their projects' development. In the Commission's Order No. 845 proceeding, the American Wind Energy Association, NextEra, and several developers identified the CAISO processes as best practices.¹⁹ NextEra, for example, advocated that the Commission adopt the CAISO's processes nationally "to break endless start and stop restudy cycles" elsewhere.²⁰

The CAISO's cluster interconnection study consists of a Phase I interconnection study and a Phase II interconnection study, with annual reassessments that account for changes in the interconnection queue.²¹ The CAISO's Phase I and Phase II interconnection studies are similar in determining the interconnection facilities, reliability network upgrades, and delivery network upgrades each interconnection customer needs.²² This allows both the Phase I and Phase II interconnection studies to provide

¹⁵ "Maximum Cost Responsibility," Appendix A to the CAISO tariff.

¹⁶ See Section 14.3.2 of Appendix DD to the CAISO tariff. Transmission owners also pay interest to the interconnection customer for its financing costs.

¹⁷ To prevent unwarranted expenditure, there are some limitations for reliability network upgrades based on the capacity of the proposed generating facility. See Section 14.3.2.1 of Appendix DD to the CAISO tariff.

¹⁸ Section 14.2.2 of Appendix DD to the CAISO tariff.

¹⁹ See, e.g., AWEA Petition, p. 24, Docket No. RM15-21-000 (June 19, 2015).

²⁰ NextEra Comments, p. 9, Docket No. RM15-21-000 (Sep. 8, 2015).

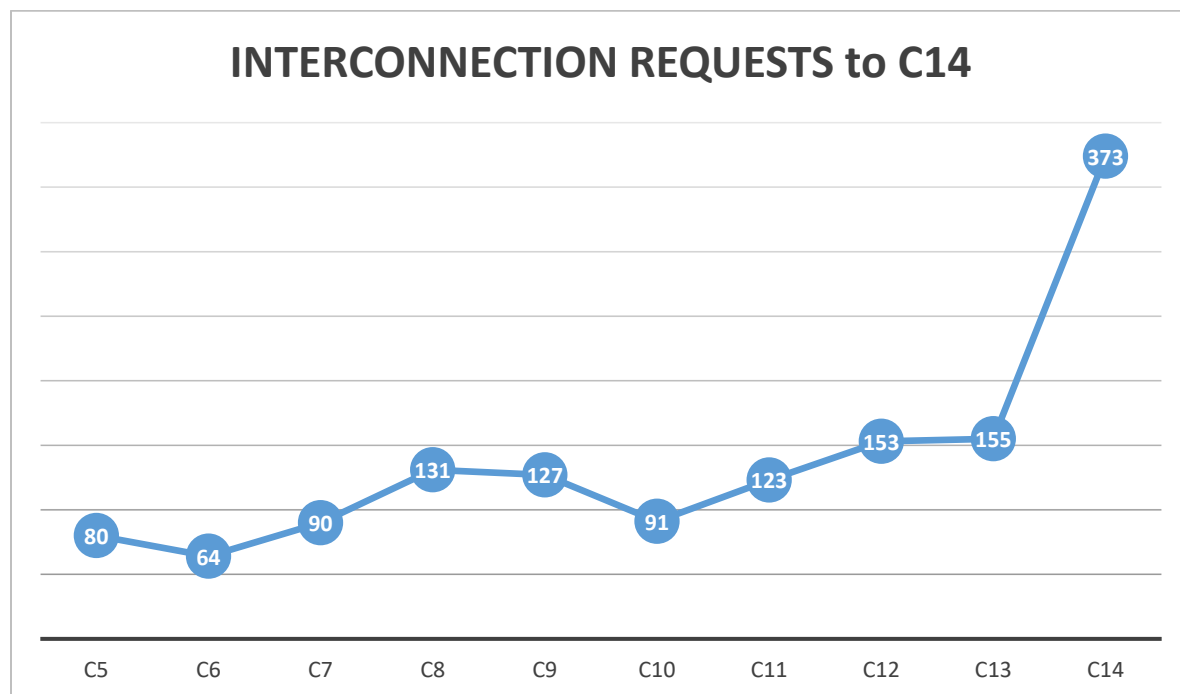
²¹ See Section 2.4.3 of Appendix DD to the CAISO tariff; "Interconnection Study," Appendix A to the CAISO tariff.

²² See Section 2.4.3 *et seq.*

similar results. The Phase II interconnection study refines the cost estimates provided in Phase I based upon changes in queue and deliverability allocation results. Because the most common change in queue is an interconnection customer's withdrawal, both the Phase II interconnection study and the annual reassessment typically remove no-longer needed upgrades from interconnection customers' studies and cost responsibilities, reducing costs.²³ In very rare cases, however, an interconnection customer's cost responsibility can rise while in queue where the costs are still under the interconnection customer's cost caps.²⁴ The CAISO's current cluster study process is designed to take approximately two years. After the interconnection customer receives its Phase II interconnection study, it negotiates and executes a GIA with the CAISO and the interconnecting transmission owner.²⁵

C. Cluster 14

Cluster 14 saw unprecedented volume, representing a 141 percent increase above the previous, formerly record-high cluster:

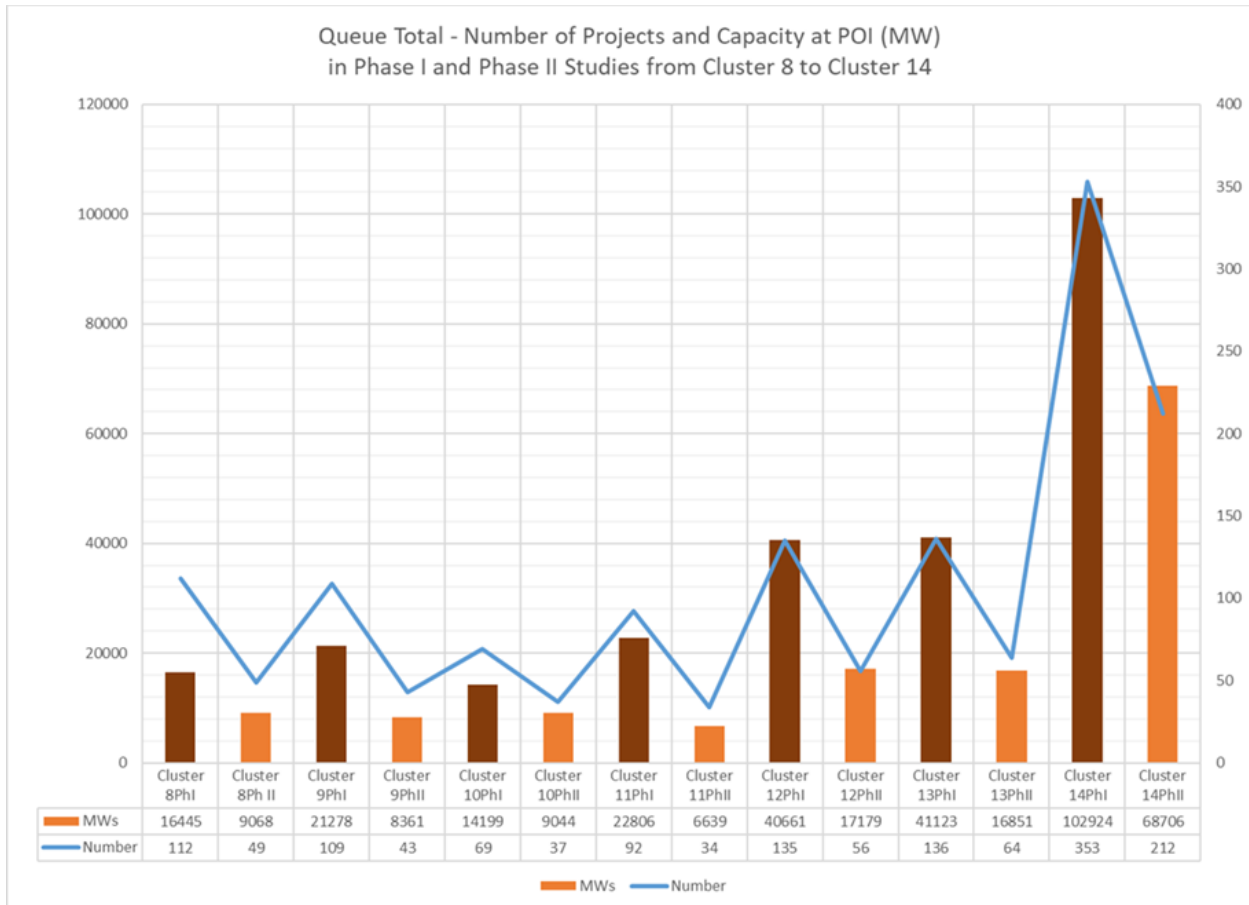


²³ See Section 7.4.3 of Appendix DD to the CAISO tariff.

²⁴ For example, if four interconnection customers share a network upgrade and one withdraws, and the upgrade is still required, the remaining three interconnection customers will see an increase in allocated costs because they are sharing the costs among three interconnection customers instead of four. See *a/so* Section 6.8.1 of Appendix DD to the CAISO tariff.

²⁵ Section 13 of Appendix DD to the CAISO tariff.

The increase required the CAISO to revise its interconnection study deadlines for the cluster 14 “supercluster,” which the Commission approved shortly after cluster 14 began.²⁶ The CAISO and its transmission owners completed cluster 14 Phase I studies on schedule in Fall 2022, but a new challenge emerged: a much lower percentage of cluster 14 interconnection customers withdrew after Phase I.



As shown in the data above, typically about 60 percent of interconnection customers withdraw after receiving their Phase I study results and before they must submit their first interconnection financial security posting.²⁷ Due to the high levels of procurement

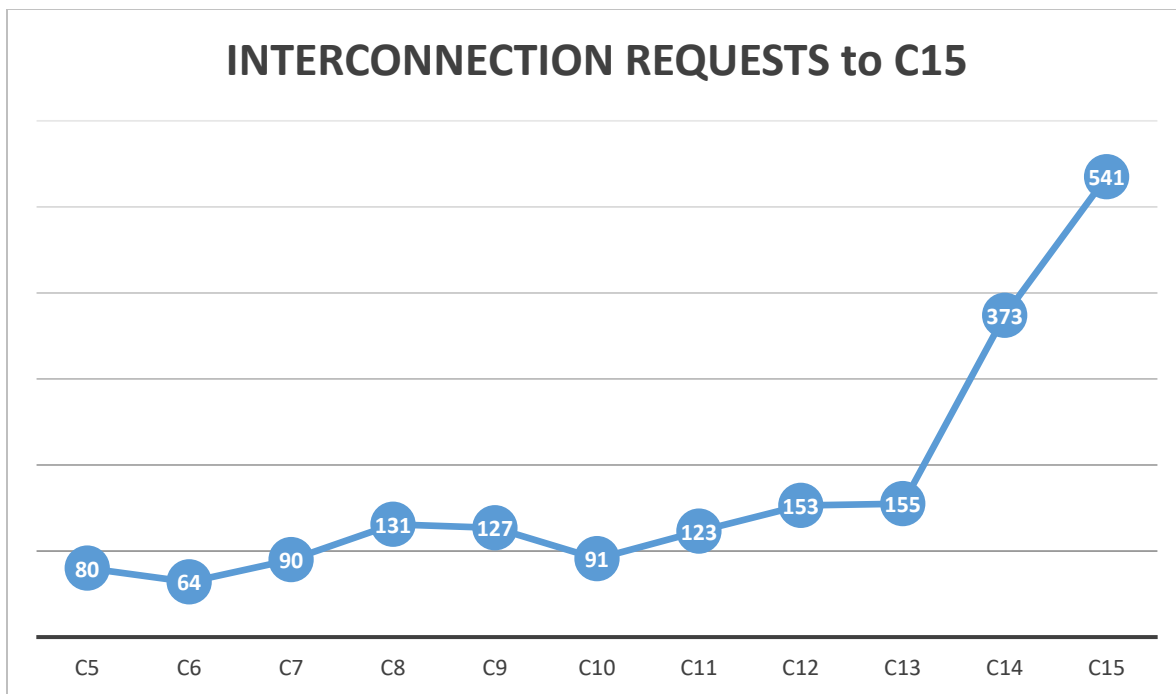
²⁶ California Independent System Operator Corp., 176 FERC ¶ 61,207 (2021).

²⁷ Developers generally withdraw when they believe their Phase I interconnection study results identified network upgrades, interconnection facilities, and construction timelines that would make them uncompetitive for a power purchase agreement. As intended, they withdraw rather than putting more losses at risk.

in California and financial strength in the industry,²⁸ less than 40 percent of cluster 14 interconnection customers withdrew from queue after Phase I.

D. Cluster 15

The CAISO implemented enhancements to reduce queue volumes before cluster 15. These included increased site exclusivity and third-party interconnection facility requirements.²⁹ Nevertheless, cluster 15 set a new record, 541 interconnection requests, a 45 percent increase from the cluster 14 supercluster in the number of interconnection requests, but for nearly double the MW capacity.



Even accounting for the year without a cluster application window, cluster 15's extreme volume represents the low bar to submit an interconnection request and the high level of financial opportunity in generation development. Developers submitted these interconnection requests understanding they would face an extended study process and longer construction timelines. In an accurate but self-fulfilling prophecy, developers also submitted multiple interconnection requests because the CAISO would be unlikely to be able to open another interconnection request window in 2024.

To address the low withdrawal rate from cluster 14 and the tsunami of new interconnection requests in cluster 15, the CAISO proposed tariff revisions to complete

²⁸ For example, in 2022 the S&P 500 Energy Index provided a 61.3% return, the highest among the 11 S&P sectors. The utilities sector was second with 3.1%, and all other sectors were negative.

²⁹ California Independent System Operator Corp., 180 FERC ¶ 61,143 (2022).

cluster 14 and extend cluster 15. The Commission approved the CAISO's tariff revisions, noting "stakeholders support prioritizing the completion of Cluster 14 before diverting resources to study Cluster 15 and CAISO states that its proposed revisions will enable CAISO to work with stakeholders to develop meaningful reforms for processing Cluster 15."³⁰ The Commission "agree[d] with CAISO that its proposal to extend the interconnection study deadlines for Cluster 14 will help ensure that, under the circumstances, CAISO and its transmission owners have sufficient time to study these interconnection requests."³¹ In addition, the Commission found it "reasonable for CAISO and the transmission owners to pause Cluster 15 while they finish the Cluster 14 interconnection studies."³² The Commission also agreed with the CAISO that opening a new interconnection request window before the CAISO was underway with cluster 15 would be imprudent. Said the Commission: "forgoing the 2024 interconnection request window is a just and reasonable solution to prioritize the significant volume of existing interconnection requests in a timely manner."³³

III. Compliance with Order No. 2023

Where the CAISO does not already comply with Order No. 2023, the CAISO describes how it proposes to revise its tariff to comply. Nearly all of the CAISO's proposed tariff revisions in this filing mirror the Commission's revisions to its *pro forma* LGIP and GIAs, including and especially the Commission's new prescribed timelines for studies. The CAISO also has removed or revised portions of its tariff that would conflict with adopting the Commission's mandates.³⁴ Most of the CAISO's changes from the *pro forma* LGIP and GIA revisions simply clarify when the CAISO, the transmission owner, or both perform an action prescribed to the "transmission provider" in the Commission's *pro forma* LGIP. The CAISO also has changed some terms slightly to maintain its own analogous terminology where appropriate.³⁵ All of the proposed tariff revisions included in this compliance filing are either expressly required under Order No. 2023, are necessary to implement or clarify the CAISO's existing tariff language to accommodate the Commission's directives, or are non-substantive clarifying adjustments of the kind that the Commission has previously permitted in compliance filings. The proposed revisions build upon the CAISO's interconnection procedures, with significant independent entity variations previously accepted by the Commission. They are carefully designed to be compatible with the CAISO's existing planning and market rules. The CAISO respectfully submits that its proposed tariff revisions either

³⁰ California Independent System Operator Corp., 184 FERC ¶ 61,069 at P 20 (2023).

³¹ *Id.*

³² *Id.*

³³ California Independent System Operator Corp., 186 FERC ¶ 61,241 at P 13 (2024).

³⁴ This was particularly necessary in moving from the CAISO's Phase I and Phase II interconnection studies to the *pro forma* cluster study and interconnection facilities study.

³⁵ The CAISO's interconnection procedures also use articles for singular proper nouns, hence "the CAISO," "the Interconnection Customer," "the Participating TO," "the Affected System," *etc.*

directly comply with the directives of Order No. 2023 or are justified independent entity variations. The revisions are fully supported, are just and reasonable, are not unduly discriminatory, and should be accepted without modification or condition.

In general, the CAISO's proposed tariff revisions completely adopt the Commission's directives regarding:

- Cluster studies
- The elimination of the reasonable efforts standard
- Penalties for late studies
- Interconnection information access (heatmaps)
- Restudy triggers and restudies
- Affected systems
- Shared upgrades
- Site control
- Co-located facilities
- Grid-enhancing technologies
- Modeling requirements and
- Ride-through requirements

The CAISO believes these are critical enhancements that will aid the CAISO, transmission owners, and interconnection customers. The CAISO also believes these directives are the most critical to the Commission in Order No. 2023.

The CAISO only seeks minor independent entity variations on the following topics:

- Modifying the lengths of the interconnection request window and customer engagement window (without extending their aggregate length)
- Providing a maximum term to await affected system study reports before executing a GIA
- Maintaining a cluster study process through the interconnection facilities study
- Maintaining the methodology used for determining cost allocation of specific network upgrade types, which already largely mirrors Order No. 2023's provisions
- Maintaining the CAISO's existing procedures for non-refundable deposits for withdrawal penalties

As explained in detail below, the CAISO believes each of these variations complies with the intent of Order No. 2023 while adjusting some specific prescribed mechanisms for reasons unique to the CAISO's needs. The CAISO believes each variation meets the independent entity standard for RTO/ISOs. The Commission "adopt[ed] the NOPR proposal to continue to use the 'independent entity variation' standard when considering [compliance variation] proposals from RTOs/ISOs"

consistent with Order Nos. 2003, 2006, and 845.³⁶ The Commission “recognizes that an RTO or ISO has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a Transmission Provider that is a market participant.”³⁷ The Commission has granted the CAISO independent entity variations in a number of orders, including orders involving revisions to its generator interconnection procedures and agreements.³⁸ The Commission has continued to grant independent entity variations on generator interconnection procedures after issuing Order No. 2023.³⁹ The few, limited independent entity variations the CAISO proposes below accomplish the purposes of Order No. 2023 to “ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner,” without undue discrimination.⁴⁰

As discussed in Section IV, the CAISO proposes to apply the Order No. 2023 tariff revisions beginning with cluster 15. Because the scope of tariff revisions is significant, the CAISO proposes to implement the new tariff revisions in a new appendix to the CAISO tariff, the Resource Interconnection Standards (“RIS”), Appendix KK to the CAISO tariff.⁴¹ This will allow cluster 15 and future clusters to review their own set of interconnection procedures without the historic procedures from the Generator Interconnection and Deliverability Allocation Procedures (“GIDAP”). It also will allow interconnection customers under the GIDAP to continue to follow those procedures.⁴²

³⁶ Order No. 2023 at P 1764.

³⁷ *Id.* at P 1764 n. 3346.

³⁸ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 166 FERC ¶ 61,113, at PP 9-10 (2019) (quoting Order No. 2003 at P 827) (“As an independent system operator (ISO), the Commission views CAISO as an ‘independent entity’ with respect to evaluating proposed variations from the *pro forma* interconnection rules established in Order No. 2003. . . . [T]he Commission concluded [in Order No. 2003] that ‘an RTO or ISO shall therefore have greater flexibility to customize its interconnection procedures and agreements to fit regional needs.’” See also *Cal. Indep. Sys. Operator Corp.*, 178 FERC ¶ 61,223, at P 8 (2022) (“We also find that CAISO’s proposed revisions, permitted under the independent entity variation standard, accomplish the purposes of Order No. 2003 by fostering increased development of economic generation by reducing interconnection costs and time and encouraging needed investment in generator and transmission infrastructure.”).

³⁹ *Sw. Power Pool, Inc.*, 186 FERC ¶ 61,068, at P 10 n.17 (2024) (“The proposed Tariff revisions accomplish the purposes of Order No. 2023 because they will improve the efficiency of SPP’s interconnection request process and will improve the accuracy of the models used in SPP’s generator interconnection studies. This will contribute to increasing the overall efficiency of the generator interconnection process, which will help ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.” *Id.* at P 15 (citing Order No. 2023 at P 1)).

⁴⁰ Order No. 2023 at P 1.

⁴¹ Likewise, cluster 15 and future clusters will have their own LGIA and SGIA reflecting the RIS, Appendices LL and MM to the CAISO tariff.

⁴² For example, transitioning earlier clusters from the CAISO’s interconnection financial security requirements to the Order No. 2023-related deposits would have been extremely burdensome late in the

Because the RIS would appear as an entirely new set of tariff procedures, the CAISO also has included a redline comparison between the GIDAP and the RIS to enable the Commission to easily determine what RIS tariff provisions are already approved as just and reasonable but carried over from the GIDAP and not resultant from Order No. 2023, Attachment E. The CAISO also has included two sets of tables, Attachments C and D, that track the Order No. 2023 revisions between the GIDAP and the RIS. Because the CAISO has several extant tariff procedures, the CAISO has revised tariff provisions and defined terms to avoid numerous cross-references,⁴³ remove anachronisms, and remove historic GIDAP terms that would be irrelevant to RIS interconnection customers.⁴⁴

To aid the Commission and stakeholders' ability to track each compliance obligation to Order No. 2023, the CAISO has arranged and titled each discussion to mirror how they appear in Order No. 2023. The CAISO thus includes some headers without compliance obligations to maintain symmetry between this filing and Order No. 2023.

A. Reforms to Implement a First-Ready, First-Served Cluster Study Process

1. Interconnection Information Access (Heatmap)

Order No. 2023 requires each transmission provider to publicly post available information pertaining to generator interconnection.⁴⁵ Order No. 2023 refers to this information as a "heatmap." Order No. 2023 sets forth various minimum data requirements for the heatmap.⁴⁶

To comply with this requirement, the CAISO proposes to adopt the Commission's new section 6.1 of the *pro forma* LGIP.⁴⁷ The CAISO has only made small modifications to the *pro forma* language to reflect unique features of the CAISO system.⁴⁸

interconnection process, and without benefit, as the requirements generally are analogous and serve the same purpose.

⁴³ Proposed Section 25 of the CAISO tariff, Appendix A to the CAISO tariff.

⁴⁴ The GIDAP, for example, had several transitional provisions for certain rules that would predate RIS interconnection requests: Sections 1.1 (2012), 2.1 (2012), 6.7.4 (2018), 7.6 (2013 and 2015), 8.9.2 (various between 2018 and 2024), *etc.*

⁴⁵ Order No. 2023 at P 135.

⁴⁶ *Id.*

⁴⁷ Proposed Section 3.6 of Appendix KK.

⁴⁸ The CAISO removed any reference to Network Resource Interconnection Service, which the CAISO does not offer.

2. Cluster Study Process

a. Interconnection Study Procedures

Order No. 2023 requires each transmission provider “to make cluster studies the required interconnection study method.”⁴⁹ The CAISO already complies with this requirement, having used cluster studies as the *de facto* interconnection process for well over a decade. The CAISO explains its cluster study process, as revised by Order No. 2023, below.⁵⁰

b. Defined Terms

Order No. 2023 requires each transmission provider to revise and add several defined terms, including Stand-Alone Network Upgrade, Material Modification, and terms to describe cluster processes in lieu of serial processes.⁵¹ The CAISO proposes to revise its existing revisions to align with the Commission’s.⁵² Where the CAISO already had existing terms for cluster processes,⁵³ the CAISO maintained the existing terms for consistency with past practices. The CAISO also revised and added many defined terms according to the other compliance obligations discussed in other sections of Order No. 2023. The CAISO discusses those additions and revisions throughout this filing.

c. Definitive Point of Interconnection

Order No. 2023 requires each transmission provider to require an interconnection customer to select a definitive point of interconnection to be studied when executing the cluster study agreement.⁵⁴ The CAISO proposes to comply with this requirement by adopting the Commission’s *pro forma* language with one minor difference.⁵⁵

⁴⁹ Order No. 2023 at P 177.

⁵⁰ See section III.A.2.i of this transmittal letter.

⁵¹ The CAISO’s proposed definition expressly includes WECC because historically the CAISO interconnection tariff provisions referred to WECC, and the Commission expressly clarified that regional entities were included in the definition. (P 1735).

⁵² Proposed Appendix A to the CAISO tariff.

⁵³ *E.g.*, Cluster Application Window in lieu of Cluster Request Window.

⁵⁴ Order No. 2023 at P 200.

⁵⁵ Proposed Section 3.1 of Appendix KK to the CAISO tariff. Because the CAISO largely removed its own scoping meeting provisions in Section 6 of the GIDAP/RIS to comply with the Scoping Meeting requirements discussed in section III.A.2.e, the CAISO’s proposed tariff revisions on the definitive point of interconnection include the first two sentences of the paragraph the Commission revised (LGIP Section 3.1.2)

interconnection customers in the CAISO always have submitted their study agreement with their original interconnection request (and not at the end of the validation period). Developers execute the agreement and submit their interconnection request and technical data on the CAISO website. The CAISO's process streamlines administrative steps for developers, the CAISO, and transmission owners. It also binds developers to the CAISO tariff when they are not subject to it beforehand. Executing the agreement at the end of the process also is unnecessary because an interconnection customer that submits a complete interconnection request during the cluster application window has *never* withdrawn that request during the validation period or even before the completion of the phase I interconnection study (now the cluster study). Because the CAISO is maintaining its existing, approved process for having executed cluster study agreements with the initial interconnection request, the CAISO proposes to move the deadline for customer elections that was set at the execution of the cluster study agreement in the Commission's *pro forma* LGIP to the end of the customer engagement window.⁵⁶ This maintains all customer rights and obligations consistent with Order No. 2023 timelines but without the unnecessary administrative step of submitting yet another element of an interconnection request at the end of the customer engagement window instead of with everything else.

d. Cluster Request Window and Customer Engagement Window

Order No. 2023 requires each transmission provider to provide a 45-day cluster request window during which would-be interconnection customers must submit their interconnection requests.⁵⁷ An interconnection customer must cure any deficiencies in its interconnection request by the end of the cluster request window.⁵⁸ Order No. 2023 also provides a 60-day "customer engagement window," during which the transmission provider holds a scoping meeting, posts a list of interconnection requests, and provides other information to the interconnection customers.⁵⁹ At the end of the customer

even though the first sentence was unchanged and only the last term in the second sentence changed. These inclusions were necessary context for the revisions Order No. 2023 prescribes.

⁵⁶ Proposed Sections 3.1, 3.5, 6.7.2 of Appendix KK to the CAISO tariff. The CAISO also has not included Sections 7.1 and 7.2 of the *pro forma* LGIP for the same reason (nor has the CAISO had them historically).

⁵⁷ Order No. 2023 at P 223.

A transmission provider must provide an interconnection customer as many 10-business day cure periods as are needed to remedy a deficient interconnection request, so long as the end of such cure periods falls prior to the close of the cluster request window. Order No. 2023 at P 223; Order No. 2023-A at P 157.

⁵⁹ Section 3.4.5 of the *pro forma* LGIP.

engagement window, interconnection customers with an executed cluster study agreement will be included in the cluster study.⁶⁰

The CAISO generally proposes to comply with Order No. 2023, and has adopted the vast majority of the Commission's revisions to the *pro forma* LGIP.⁶¹ The CAISO proposes only two independent entity variations to the Commission's process, both accepted by the Commission in 2019.⁶² First, the CAISO proposes to review interconnection requests using a two-step process. During the interconnection request window, the CAISO initially reviews interconnection requests to ensure that they are complete, *i.e.*, that the interconnection customer submitted all required information. During the customer engagement window,⁶³ CAISO and transmission owner engineering staff review the technical data provided in each interconnection request to ensure the data is sound. The CAISO also reviews all site control documentation during this time. Second, the CAISO proposes to maintain its current timelines for these two windows: 15 days for the cluster application window and 90 days for the customer engagement window. The CAISO notes that these periods still sum to the same 105 days as the *pro forma* LGIP.

It is critical for the CAISO to have more time to review and validate the data in the interconnection request. The CAISO's two-step process functions well and has resulted in significant improvement since implemented. Discovering something is missing from an interconnection request is relatively easy. Curing that deficiency also is relatively easy. This is why the review and cure period for completeness occurs first. But reviewing and fixing technical data is a complex process that requires back-and-forth iteration among the interconnection customer, the CAISO, and the transmission owner. Having more time for these parties to review and cure technical errors benefits all three parties.⁶⁴ Even if the CAISO reverted to 100 interconnection requests each window, it could not adequately review those interconnection requests in a 45-day window. The CAISO and transmission owner would have to rush their review, pushing

⁶⁰ *Id.*

⁶¹ Proposed Sections 3.1, 3.5.1, and 3.5.2 of Appendix KK to the CAISO tariff. The CAISO's revisions include removing tariff provisions that would conflict with the Commission's *pro forma* provisions. In other words, the CAISO's tariff revisions generally consist of (1) adding the Commission's *pro forma* language, and (2) removing the CAISO's existing tariff provisions that would have conflicted. For consistency, the CAISO maintained its tariff term "Cluster Application Window" in lieu of "Cluster Request Window."

⁶² *California Independent System Operator Corp.*, Letter Order approving Tariff Revisions to Specify Minimum Requirements for Interconnection Requests, Docket No. ER19-2013-000 (April 1, 2019).

⁶³ Currently the validation period under Section 3.5.2 of Appendix DD to the CAISO tariff.

⁶⁴ The CAISO will give an interconnection customer until the end of the two-step process (*i.e.*, the end of the customer engagement window) to attempt to remedy a deficient interconnection request. Proposed Section 3.1 of Appendix KK to the CAISO tariff. Thus, the interconnection customer will have even longer to remedy a deficient interconnection request under the CAISO tariff than the 45-day period required under the *pro forma* LGIP as revised by Order Nos. 2023 and 2023-A.

errors or delays into the cluster study. The interconnection customer also may be punished by getting a long list of technical errors with little time left in the cure period. Moreover, data clearly demonstrates that a long interconnection request window is unnecessary. Using only a 15-day window, the CAISO received nearly 600 complete interconnection requests for cluster 15. Before the CAISO shortened its 30-day window in 2018,⁶⁵ it received 94 percent of its interconnection requests during the last week, nearly all of which came on the last day. And the CAISO's shortening of the request window demonstrates that developers do not require long windows. The CAISO has received its largest numbers of interconnection requests in the years *after* it reduced its window from 30 days to 15 days. For these reasons, the Commission should approve the CAISO's proposed tariff revisions as just, reasonable, and compliant with Order No. 2023. The CAISO's independent entity variations meet the intent and goals of Order No. 2023 while accounting for the CAISO's size and need to iterate with interconnection customers meaningfully to avoid delays in the cluster study.

e. Scoping Meeting

Order No. 2023 requires each transmission provider to hold a scoping meeting during the customer engagement window with all interconnection customers whose interconnection requests were received in that cluster request window.⁶⁶ Order No. 2023 specifies that this meeting must be "cluster-wide" because individual scoping meetings with each customer would be "comparatively inefficient and burdensome."⁶⁷

Although the CAISO currently has scoping meetings before studies commence, these meetings are customer-specific, and thus would not conform to Order No. 2023. Moreover, it would not be possible for the CAISO to maintain the strict study timelines specified by Order No. 2023 while maintaining individual customer scoping meetings. As such, the CAISO proposes to remove its scoping meeting provisions and replace them with the Commission's *pro forma* provisions related to scoping meetings.⁶⁸ The CAISO also notes that in lieu of providing a non-disclosure agreement before the scoping meeting, the CAISO has specified that interconnection customers must execute the non-disclosure agreement already required to access CAISO base cases before the Scoping Meeting.⁶⁹ With a cluster-wide scoping meeting, more than one interconnection customer attending is a guarantee. Developers, consultants, and interested parties already execute the base case non-disclosure agreement before a cluster application window today. The agreement also covers the same materials, which are also subject to the CAISO's confidentiality provisions in Section 15.

⁶⁵ *California Independent System Operator Corp.*, 162 FERC ¶ 61,207 at P 14.

⁶⁶ Order No. 2023 at PP 245-6.

⁶⁷ *Id.*

⁶⁸ Proposed Sections 3.5.2 and 6.1.2 of Appendix KK to the CAISO tariff.

⁶⁹ Proposed Section 6.1.2 of Appendix KK to the CAISO tariff.

Specifying this agreement in the tariff provides an already-used vehicle for confidentiality at the scoping meeting.

f. Posting of Metrics for Cluster Study Processing Time and Restudy Processing Time

Order No. 2023 requires each transmission provider to post metrics for cluster study processing time and cluster restudy processing time, including the number of cluster studies completed within 150 calendar days of the close of the customer engagement window.⁷⁰ Order No. 2023 also clarifies that these metrics must be measured from the close of the customer engagement window for the cluster study processing time metric and from when the transmission provider notifies interconnection customers in the cluster that a cluster restudy is needed for the cluster restudy processing time metric.

The CAISO proposes to adopt the reforms in Order No. 2023 consistent with the revisions to the Commission's *pro forma* LGIP.⁷¹

g. Interconnection Request Evaluation Process

Order No. 2023 modifies the definition of queue position and makes various revisions to reflect the change from a serial process to a cluster process.⁷² Order No. 2023 also revises the *pro forma* LGIP to account for the impact of a cluster study in assigning queue positions. Order No. 2023 also “adopts the proposal to remove . . . the provisions allowing transmission providers to study interconnection requests serially.”⁷³ Order No. 2023 also revises the definition of material modification to account for a cluster study process, to clarify the impact of changing the point of interconnection, and to clarify permissible modifications, plant increases, and their timing.⁷⁴

Because the CAISO already had a cluster study process, the CAISO tariff generally did not have the queue position descriptions Order No. 2023 revised, and the CAISO already had provisions describing the equal position of interconnection requests within a cluster. Nevertheless, the CAISO proposes to include the Commission's *pro*

⁷⁰ Order No. 2023 at P 259.

⁷¹ Proposed Section 3.6.1 of Appendix KK to the CAISO tariff. The CAISO's revised provisions only have minor differences from the Commission's *pro forma* to maintain consistency with the CAISO's tariff and practices, such as the CAISO's use of “days” instead of “calendar days,” “CAISO Website” instead of OASIS, “etc. The CAISO also used 120 days for the Interconnection Facilities Study, consistent with its single proposed timeline for that study, as discussed below.

⁷² Order No. 2023 at P 276.

⁷³ *Id.* at P 278.

⁷⁴ *Id.* at PP 280-85.

forma language on queue position for transparency and consistency.⁷⁵ Likewise, the CAISO proposes to adopt the Commission’s *pro forma* language regarding modifications, plant increases, and proposed changes to the point of interconnection.⁷⁶

Order No. 2023 also expressly requires transmission providers to “remove . . . the provisions allowing transmission providers to study interconnection requests serially.”⁷⁷ The CAISO thus proposes to remove its independent study process from its interconnection procedures because it was a serial study process.⁷⁸ In addition to complying with the specific requirement to remove serial study processes, removing the independent study process is essential to comply with the Commission’s new prescribed timelines for completing cluster studies, restudies, and interconnection facilities studies. The CAISO and its transmission owners cannot maintain the serial independent study process and meet the new prescribed schedules. Independent studies compete for the same resources and time from planning engineers and staff, and would unduly interfere with the timely completion of cluster study processes.⁷⁹

h. Fewer than Three-Year Extension to Commercial Operation Date

Order No. 2023 requires transmission providers to allow interconnection customers to receive an extension of less than three cumulative years of the generating facility’s commercial operation date without requiring them to request such an extension from the transmission provider.⁸⁰ The commercial operation date reflected in the initial interconnection request will be used in calculating the permissible extension of less than three years until the interconnection customer executes, or requests the unexecuted filing of, an LGIA. Once the interconnection customer has executed an LGIA or requested that the LGIA be filed unexecuted, the commercial operation date established

⁷⁵ Proposed Section 6.1.3 of Appendix KK to the CAISO tariff (adopting both *pro forma* sections 4.1.1 and 4.1.2).

⁷⁶ Proposed Sections 6.7.2.1 and 6.7.2.2 of Appendix KK to the CAISO tariff. Consistent with the *pro forma* LGIP, the CAISO also has revised its interconnection procedures to specify the submission of the interconnection facilities study agreement as the deadline for expressly permissible modifications.

⁷⁷ Order No. 2023 at P 278 (although the Commission did not remove its own fast track process from the *pro forma* SGIP).

⁷⁸ This change is reflected throughout the CAISO’s interconnection-related appendices, and specifically in Section 4 of Appendix KK to the CAISO tariff. The CAISO also moved portions of Section 4.6 of Appendix DD to Section 8.9.7 of Appendix KK because these provisions pertain to interim deliverability for cluster projects and not only independent study projects. In other words, because cluster interconnection customers also may be eligible for interim deliverability, the CAISO has moved that provision from Section 4.6 to 8.9.7 where it is more clearly generally applicable to cluster projects.

⁷⁹ Historically, the independent study process has only resulted in four interconnection requests that achieved commercial operation.

⁸⁰ Order No. 2023 at P 293.

in the LGIA shall be the date from which the extension of up to three cumulative years is calculated.⁸¹ The CAISO proposes to adopt the Commission's *pro forma* LGIP provision on this rule.⁸²

i. Cluster Study Provisions

Order No. 2023 removes the feasibility study and renames the interconnection system impact study as the cluster study.⁸³ Order No. 2023 also revises sections 6 and 7 of the *pro forma* LGIP to describe the scope and schedule for the cluster study and the interconnection facilities study. It prescribes 150 days for the completion of the cluster study.⁸⁴

The CAISO proposes to adopt the Commission's prescribed tariff revisions, as detailed in the tariff and compliance trackers, Attachments C and D to this filing. The Commission's prescribed timelines require substantial revision to the CAISO's tariff. To comply with Order No. 2023, the CAISO must forgo its Phase I and Phase II interconnection studies and adopt the Cluster Study and Interconnection Facilities Study from the *pro forma* LGIP. Currently, the CAISO's Phase I and Phase II interconnection studies are similar in determining the interconnection facilities, reliability network upgrades, and delivery network upgrades each interconnection customer needs, along with accurate cost estimates.⁸⁵ The Phase II interconnection study has the same scope as the Phase I study, but refines the cost estimates provided in Phase I while accounting for any changes in queue. Today, the Phase I study takes 170 days, and the Phase II study takes 205 days. The CAISO and transmission owners also have individual study results meetings with every interconnection customer after each study. These processes do not conform to the *pro forma* LGIP, and are not achievable within the prescribed timelines mandated by Order No. 2023.⁸⁶ As such, the CAISO has

⁸¹ *Id.*

⁸² Proposed Section 3.5.1.4 of Appendix KK to the CAISO tariff. Because this provision is in the same section as the provision on permissible commercial operation dates in the original interconnection requests, the CAISO also included an introductory clause to the first paragraph in Section 3.5.1.4 regarding the seven-year threshold for commercial operation dates in interconnection requests. This will avoid confusion and conflicts with the three-year extension (such as whether the extension can exceed the seven years).

⁸³ Order No. 2023 at PP 316-17.

⁸⁴ *Id.* at P 324.

⁸⁵ See Section 2.4.3 *et seq.* of Appendix DD to the CAISO tariff.

⁸⁶ Comments on the NOPR noted that ISO/RTOs may require more time because their studies have more robust scopes than the *pro forma* LGIP; however, the Commission disagreed: "In response to National Grid's concern that some RTO/ISO interconnection processes require supplemental studies and that these studies should not be required to be conducted within the 150-calendar day cluster study window, we decline to modify the *pro forma* LGIP to provide for more time for such studies. We also clarify for National Grid that the 150-calendar day deadline includes the time required to develop system models and base case data for the cluster study." Order No. 2023 at P 328.

revised the scopes of its interconnection studies to conform to the cluster study and the interconnection facilities study, and adopted the Commission's prescribed timelines.

Nevertheless, it is not possible for the CAISO to adopt the design of the interconnection facilities study precisely as the *pro forma* LGIP contemplates (nor does Order No. 2023 require complete reversion to the *pro forma* interconnection facilities study). Even before Cluster 14, the volume of the CAISO's interconnection queue was too high to conduct interconnection facilities studies on a serial basis. First, far too many interconnection customers share network upgrades and interconnection facilities. Second, it would defeat the purpose of a cluster study to abandon the cluster approach only half-way through. The CAISO has long conducted the entire interconnection request cycle on a cluster basis, and Order No. 2023 does not find this practice is unjust and unreasonable. Just as with the Phase II study today, performing the interconnection facilities study on a cluster basis still provides the interconnection customer with its individual results.⁸⁷ Because the interconnection facilities study contemplates a 90- or 180-day study based on the cost accuracy, the CAISO proposes to conduct the interconnection facilities study in 120 days, less than the average of these two. The CAISO respectfully requests that the Commission accept these proposed entity variations. They fulfill the intent of Order No. 2023 but accommodate the size and overlap within the CAISO's queue. The CAISO and its transmission owners have significant experience with cluster studies, and have worked together to develop scopes, schedules, and processes that are achievable and consistent with Order No. 2023.

To adopt the Commission's prescribed study timelines and processes, the CAISO also must change when it can provide binding cost estimates—the current cost responsibility, maximum cost responsibility, and maximum cost exposure—for interconnection customers. Unlike for other transmission providers, the CAISO's cost estimates are binding, and any costs above those estimates fall to the transmission owner. This provides greater cost certainty for interconnection customers, and it incentivizes accurate cost estimates. It also mitigates the impact of withdrawals and avoids the need for serial restudies whenever anyone withdraws from queue. Currently, "Maximum Cost Responsibility" is "the lower sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated

⁸⁷ The CAISO also notes that it does not provide option cost estimate accuracy metrics with different timelines as the *pro forma* LGIP uses for interconnection facilities studies. The CAISO uses a per unit cost guide for network upgrades and interconnection facilities. See Section 6.4 of Appendix DD to the CAISO tariff; proposed section 6.4 of Appendix KK to the CAISO tariff; *California Independent System Operator Corp.*, 124 FERC ¶ 61,292 (2008) (approving per unit costs for interconnection studies). Order No. 2023 does not require reverting to the optional cost accuracy estimates, nor could the CAISO accommodate different schedules for different customers within the same cluster. Nearly all interconnection customers share network upgrades and interconnection facilities with other interconnection customers. The CAISO proposes to amend the schedule for updating the per unit cost guide based on its new proposed study timelines. Proposed Appendix 5 to Appendix KK to the CAISO tariff.

costs for all other Assigned Network Upgrades, from its Phase I or Phase II Interconnection Studies, not to exceed the Maximum Cost Exposure.”⁸⁸ This means that the Phase I interconnection study can set the interconnection customer’s cost cap if it is lower than the Phase II study. Although this occurs infrequently, it can occur.⁸⁹ But the scope of the cluster study in the Commission’s *pro forma* LGIP does not contemplate specific cost estimates interconnection customers can rely upon; nor can the CAISO and transmission owners provide such estimates accurately in 150 days and without individual scoping meetings before the cluster study. Although the CAISO will still provide the current cost responsibility, maximum cost responsibility, and maximum cost exposure in the cluster study, the maximum cost responsibility no longer can be binding at this point in the interconnection process. Leaving it as such would require the transmission owners to provide high figures to hedge their risk of inheriting costs if the costs increase based on the interconnection facilities study, the study actually intended to provide accurate cost estimates. This would provide interconnection customers less useful, inflated estimates in the cluster study. Therefore, the CAISO proposes to revise its definition of maximum cost responsibility to set the firm cost cap in the interconnection facilities study only.⁹⁰ This change is necessary to comply with the Commission’s mandates in Order No. 2023.

Consistent with the *pro forma* LGIP and Order No. 2023, the CAISO also proposes to remove its provision requiring cluster study results meetings with each individual interconnection customer after the cluster study.⁹¹ The *pro forma* LGIP does not include such meetings, and it would not be possible to continue to hold them and maintain the study schedules required under Order No. 2023. The CAISO also proposes to revise its processes for reviewing interconnection facilities study reports consistent with Order No. 2023.⁹²

⁸⁸ Appendix A to the CAISO tariff.

⁸⁹ Generally the amount of withdrawals after the Phase I interconnection study results in fewer network upgrades for interconnection customers, lowering their cost estimates. Sometimes, however, the reverse can occur because an interconnection customer inherits a higher share of an assigned upgrade due to withdrawals.

⁹⁰ Proposed “Maximum Cost Responsibility,” Appendix A to the CAISO tariff.

⁹¹ Proposed Sections 6.7 of Appendix KK to the CAISO tariff (removing individual study results meetings from the GIDAP).

⁹² Proposed Sections 8.5 and 8.7 of Appendix KK to the CAISO tariff. The CAISO removed those provisions of Section 8.7 from the GIDAP that were inconsistent with Section 8.5, which conforms to Section 8.3 of the *pro forma* LGIP. The CAISO holds interconnection facilities study results meeting with interconnection customers within 30 days. Although the *pro forma* LGIP states these meetings occur with ten days, this requirement was not in Order No. 2023, and the CAISO’s timeline has already been approved as an independent entity variation based on the volume of the CAISO’s queue. Moreover, it would not be possible for the CAISO and transmission owner to schedule every interconnection facilities study results meeting within ten days, let alone hold them. That timeline would only result in rushed, meaningless meetings intended to comply with the tariff rather than discuss the results in detail.

The CAISO also proposes to revise its tariff to receive the interconnection facilities study agreement, which it did not have previously.⁹³ The CAISO has added the interconnection facilities study agreement provisions to its existing “Appendix B” form, which provided the additional data and confirmations the CAISO required from interconnection customers after the Phase I (now cluster) study.⁹⁴ Inserting the interconnection facilities study agreement this way complies with Order No. 2023 and conforms to the *pro forma* LGIP in a way that fits with existing processes.

Rather than requesting additional time to accommodate unique study elements, the CAISO proposes to delete two elements of its current interconnection studies that cannot be accomplished under the Order No. 2023 timelines and are not within the scope of the *pro forma* LGIP studies: the operational deliverability assessment and the off-peak deliverability assessment. Only by “removing” these studies—that is, not carrying them into the RIS from the GIDAP—can the CAISO meet the schedules set forth by Order No. 2023. The CAISO and stakeholders also believe that shorter study timelines are preferable to keeping these study elements. The CAISO put this question to stakeholders in its Interconnection Process Enhancements initiative, and stakeholders supported removing the studies in favor of Order No. 2023 timelines. Experience has demonstrated that both elements provide limited value to interconnection customers. The “off-peak deliverable” designation also lacks meaning after the Commission rejected the consequences for becoming off-peak Energy Only, essentially rendering all projects off-peak deliverable.⁹⁵

The CAISO also proposes to delete the study schedules between the CAISO and transmission owner in Attachment A to Appendix 4 of the GIDAP. These schedules do not conform to the new RIS schedules, and Order No. 2023 does not require such granular schedules between the CAISO and transmission owner. Moreover, this attachment was intended to be executed only when new transmission owners join the CAISO. The CAISO may develop these schedules and execute such an agreement based on its experience with the Order No. 2023-based procedures when it has a new transmission owner that will conduct interconnection studies.

j. Restudies Triggered by Higher or Equally Queued Generating Facility

Order No. 2023 requires each transmission provider to clarify that restudies can be triggered by a withdrawal or permissible modification by a higher- or equally queued interconnection request. This was already the CAISO’s longstanding practice;⁹⁶

⁹³ Proposed Sections 6.2, 7.2, 8.1.1, and Appendix B to Appendix 3 of Appendix KK to the CAISO tariff.

⁹⁴ See Sections 3.1 and 7 of Appendix DD to the CAISO tariff.

⁹⁵ *California Independent System Operator Corp.*, 171 FERC ¶ 61,120 (2020).

⁹⁶ See Sections 7.4 and 8.1.1 of Appendix DD to the CAISO tariff.

however, for transparency the CAISO has now included the Commission's *pro forma* revisions to its own tariff.⁹⁷ Consistent with the CAISO's practice of accounting for withdrawals and modifications holistically in the annual reassessment, the CAISO also has specified that cluster study and interconnection facilities study restudies result from the annual reassessment process. As described below,⁹⁸ it is inconsistent with the cluster study process to study the effects of modifications and withdrawals serially as they occur, rather than through comprehensive updates to the base cases.

k. Timing of LGIA Tender, Execution, and Filing

Order No. 2023 requires each transmission provider to revise its GIA tender, negotiation, and execution provisions, including to incorporate a 60-calendar day negotiation period and to incorporate the site control demonstrations and GIA deposit provisions.⁹⁹ Although the CAISO had similar GIA provisions already, it has adopted the Commission's *pro forma* language.¹⁰⁰ Because the CAISO uses a single set of interconnection procedures for small and large generators, it has generalized LGIA and SGIA references to the GIA. Generators will still receive an SGIA or LGIA based on their capacity.

The CAISO also proposes one critical independent entity variation to comply with the intent of Order No. 2023 while accounting for the CAISO's unique situation with affected systems. Order No. 2023 duly recognizes that interconnection customers may need to wait for affected system study reports before executing their GIA, and therefore extends GIA deadlines when a customer awaits an affected system study. The Commission's *pro forma* procedures, however, assume customers would have a maximum amount of time to await for an affected system study because the affected systems themselves would be subject to the *pro forma* LGIP and have a defined period to perform affected system studies. However, as explained in detail below,¹⁰¹ nearly all of the CAISO's neighboring systems are not Commission jurisdictional. Although the CAISO's affected systems generally perform their studies promptly, it is possible that an affected system could take longer than the *pro forma* LGIP requires. The CAISO is concerned that this could occur, especially, where an interconnection customer purposely delays its affected system studies to provide itself more time to market its project before executing a GIA and assuming higher financial responsibilities. To avoid

⁹⁷ Proposed Section 8.6 of Appendix KK to the CAISO tariff.

⁹⁸ Section III.A.2.m (Restudy) of this transmittal letter.

⁹⁹ Order No. 2023 at P 344.

¹⁰⁰ Proposed Sections 13.1, 13.2, and 13.3 of Appendix KK to the CAISO tariff. Because the CAISO has a two-step affected system process for potentially affected systems and actual identified affected systems, the CAISO's proposed language specifies "Identified Affected Systems." Consistent with Order No. 2023, by this point in the study process, only the identified affected systems would be preparing studies for the interconnection customer.

¹⁰¹ Section III.B.2 (Affected Systems) of this transmittal letter.

situations where the affected system delay exception swallows the rule of executing GIAs on time, the CAISO proposes a 210 day maximum on the negotiation and execution of the GIA. The 210 day maximum reflects how long affected systems should perform affected system studies under the *pro forma* LGIP, plus the Commission's proposed 30-day extension. The CAISO's proposed delay exception thus states:

If the Interconnection Customer has not received its Affected System Study Report from an Identified Affected System prior to the date it would be required to execute its GIA (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS, the CAISO will, upon request of the Interconnection Customer, extend this deadline to thirty (30) calendar days after the Interconnection Customer's receipt of the Affected System Study Report, or two hundred and ten (210) calendar days after the tendering of the GIA and appendices, whichever is earlier.¹⁰²

This will provide fair and equal treatment to all CAISO interconnection customers by avoiding any gaming of the affected system studies to delay execution of the GIA. Without the CAISO's proposed 210 day maximum, interconnection customers can prolong non-jurisdictional affected system studies to avoid a GIA and linger in queue. The CAISO's rule also will provide a more fair, predictable, and transparent rule than relying on its authority to determine negotiation delays would materially affect other customers. First, there could be situations where an interconnection customer delays its affected system studies to avoid a GIA to have more time to market its project *and* the delay would not affect other customers. The CAISO would thus be unable to rely on the rule to require execution. But this would be a perverse result: The interconnection customer would be rewarded for delaying its affected system study and have an advantage over other customers that proceeded on time. Second, relying on the material impact provision could become the exception that swallows the rule. Because most interconnection customers share network upgrades,¹⁰³ the CAISO would have to invoke the exception frequently, negating the general timelines in Section 13. This would result in *ad hoc* execution timelines hard to predict in advance for the developer and the transmission owner. Third, relying on the material impact provision requires a serial assessment of each project and whether its delay could impact other customers. That assessment would take time and staff away from actual studies. For these reasons, the CAISO proposes the 210 day rule as a clear and final deadline. It will be far more reliable, predictable, and fair than relying on the material impact provision alone. The Commission should accept this independent entity variation because it is critical to comply with the intent of Order No. 2023, and recognizes the CAISO generally neighbors non-jurisdictional transmission providers.

¹⁰² Proposed Section 13.2.1 of Appendix KK to the CAISO tariff.

¹⁰³ Or later-queued customers become dependent on them.

Likewise, the CAISO proposes to eliminate an existing exception in its tariff that would conflict with Order No. 2023. Currently the CAISO and transmission owner do not tender a draft GIA if the interconnection customer elects to “park” its interconnection requests while it re-seeks a deliverability allocation.¹⁰⁴ This occurs after the interconnection study process.¹⁰⁵ Retaining this provision would mean that many interconnection customers could forestall executing a GIA and subjecting themselves to higher financial requirements while they linger in queue and market their project to off-takers. Meanwhile, other interconnection customers would be subject to the strict timelines of Order No. 2023. This result is plainly inconsistent with Order No. 2023: The first-ready projects are subject to higher financial requirements and must execute a GIA while the parked projects can avoid them, providing themselves more time to market their projects before deciding to withdraw or proceed. The CAISO thus proposes to eliminate this exception to the GIA tendering rules.¹⁰⁶

I. Cluster Subgroups

Order No. 2023 permits each transmission provider to use subgroups in the cluster study process if they so choose. To the extent a transmission provider uses subgroups, it must include provisions in its tariff that state it will do so and publish the criteria for doing so on its website.¹⁰⁷ The CAISO proposes to adopt the Commission’s revisions to its *pro forma* LGIP.¹⁰⁸ The CAISO also proposes to remove the term “Group Study” from its interconnection procedures, which was a catch-all term for all interconnection studies of more than one interconnection customer. Group Study was ambiguous in places because it was unclear whether the term referred to an entire cluster or a subgroup within a cluster. In its place, the CAISO has either specified the Cluster Study or a subgroup within the Cluster Study.¹⁰⁹ The CAISO does not propose or foresee any change to how it groups interconnection customers within its interconnection studies, but has included these tariff revisions for compliance and transparency.

¹⁰⁴ Section 8.9.4 of Appendix DD to the CAISO tariff.

¹⁰⁵ *I.e.*, a project could elect to park after it receives its interconnection facilities study.

¹⁰⁶ Proposed Section 8.9.4 of Appendix KK to the CAISO tariff.

¹⁰⁷ Order No. 2023 at P 363.

¹⁰⁸ Proposed Section 6.1.3 of Appendix KK to the CAISO tariff.

¹⁰⁹ *Compare, e.g.*, Section 6.1.3 of Appendix KK to the CAISO tariff (specifying subgroups instead of Group Study) *with* Sections 2.3 and 3.7 of Appendix KK to the CAISO tariff (specifying Cluster Study instead of Group Study).

m. Restudy

Order No. 2023 declines “to specify how a transmission provider conducts cluster restudies and when it must conduct a cluster restudy.”¹¹⁰ Order No. 2023 states that “the transmission provider is best positioned to determine when and how to conduct a restudy, including the scope and frequency of restudies, because it determines the need for the restudies to maintain the reliability of the transmission system.”¹¹¹

Because the volume of the CAISO’s typical cluster study is large, the CAISO will maintain its practice of a single annual reassessment to process changes in queue, including modifications and withdrawals. As discussed above,¹¹² the CAISO will continue to conduct the reassessment between the cluster study and the interconnection facilities study.¹¹³ The CAISO believes this practice continues to be prudent because conducting serial restudies throughout the year would interfere with the CAISO and its transmission owners’ abilities to conduct cluster studies on time. Moreover, the effect of restudies in the CAISO is very different than in other ISO/RTOs because the CAISO provides firm cost caps. As such, restudies in the CAISO typically lower interconnection customers’ costs because withdrawals generally result in fewer network upgrades needed for interconnection. CAISO interconnection studies also already provide the interconnection customer’s potential cost exposure for network upgrades assigned to higher-queued customers. After the interconnection facilities study, an interconnection customer’s assigned costs cannot exceed its maximum cost exposure, and any costs that would “cascade” fall to the transmission owner and not the interconnection customer. Developers and trade groups have identified the CAISO’s use of cost caps and an annual reassessment as a best practice.¹¹⁴

The same logic is true of both the cluster study and the interconnection facilities study—“restudy” of both is effected in the reassessment rather than *ad-hoc* throughout the year. However, because the reassessment now has a firm and shorter timeline than under the GIDAP, the CAISO and transmission owners cannot determine and publish binding cost cap updates during the reassessment for those interconnection customers that already have complete interconnection studies—either published phase II interconnection study reports or interconnection facility study reports.¹¹⁵ Unlike in other transmission providers’ procedures, the CAISO’s cost estimates are binding because the transmission owner must inherit any costs above them after the study process is

¹¹⁰ Order No. 2023 at P 374.

¹¹¹ *Id.*

¹¹² Section III.A.2.i (Cluster Study Provisions) of this transmittal letter.

¹¹³ Previously between the Phase I and Phase II studies.

¹¹⁴ See, e.g., AWEA Petition, p. 24, NextEra Comments, p. 9, (Sep. 8, 2015), Docket No. RM15-21-000.

¹¹⁵ As described herein, the reassessment is a holistic review of all pending interconnection requests, thus it would include pre-cluster 15 projects with phase II studies.

complete. To comply with the new Order No. 2023 timelines and still provide interconnection customers binding cost caps, the CAISO proposes to provide interconnection customers with complete phase II or interconnection facility study reports with advisory updates to their cost caps in the reassessment, followed by binding updates to their cost caps in the following interconnection facilities study.¹¹⁶ This will provide sufficient time for the detailed analysis required to update the binding cost caps—which generally go down in reassessments—while providing developers initial notices that their costs are likely to change.

3. Allocation of Cluster Study Costs

Order No. 2023 requires each transmission provider to allocate the shared study costs of a cluster across the cluster, partially on a per capita basis and partially on a pro rata by MW basis. Transmission providers may propose their own study cost allocation ratio within ranges specified in Order No. 2023 – namely, between 10 percent and 50 percent of study costs must be allocated on a per capita basis, with the remainder (between 90 percent and 50 percent) allocated pro rata by MW.¹¹⁷

The CAISO proposes to adopt the Commission’s *pro forma* LGIP provision on the allocation of cluster study costs, allocating the cluster study costs 50% on a per capita basis and 50% on a pro rata by MW basis.¹¹⁸

As described above, the CAISO proposes to utilize the existing annual reassessment process to comply with the cluster restudy directive in Order No. 2023. The CAISO proposes to utilize the *pro forma* cost allocation methodology, and 50/50 split described above, to allocate the costs of this reassessment, with the costs going to all interconnection customers in the most recent cluster. The CAISO is not varying from Order No. 2023 in this regard, but describes the revision here because previously the CAISO allocated cluster study and reassessment costs differently. Although earlier queued customers may withdraw and impact the reassessment, the CAISO sees most interconnection customer withdrawals occur following the cluster study (currently the Phase I study) and therefore the largest impact of the reassessment is felt by the current queue cluster. The CAISO also proposes to offset the actual costs of the reassessment utilizing funds collected from any Withdrawal Penalty assessed on customers withdrawing before cluster study results, as further described in section III.A.6 of this transmittal letter. Such an offset will also contribute to reduced costs for the current cluster projects paying for the reassessment and reduce any perceived subsidies for earlier queued customers that need to be included in the reassessment due to late withdrawals in their own queue. Because each queue cluster will pay for the reassessment conducted prior to the GIA execution for its interconnection customers,

¹¹⁶ Proposed Section 7.4.3(ii) of Appendix KK to the CAISO tariff.

¹¹⁷ Order No. 2023 at P 416; Order No. 2023-A at P 189.

¹¹⁸ Proposed Section 3.5.1.2 of Appendix KK to the CAISO tariff.

and associated return of remaining study deposit, each interconnection customer that remains in queue will see the same benefit in future reassessments, should the projects receive a new reassessment report.

4. Allocation of Cluster Network Upgrade Costs

Order No. 2023 requires each transmission provider to adopt tariff provisions allocating the costs of network upgrades using a set methodology for what the Commission has distinguished as substation network upgrades and system network upgrades.¹¹⁹ Order No. 2023 concludes that a proportional impact methodology is appropriate for network upgrades needed for the interconnection of the cluster.¹²⁰ However, for substations at the point of interconnection, the Commission recognized that the costs of these interconnection facilities should not be shared with interconnection customers interconnecting at other substations and that the cost of the substation network upgrades is impacted by the number of facilities proposing to interconnect, and included language to that effect.¹²¹

The CAISO's existing tariff provisions related to the methodology used for determining cost allocation for specific network upgrade types aligns with Order No. 2023, but utilizes different terminology.¹²² Consistent with Order No. 2023's treatment of Substation Network Upgrades, the CAISO's treatment of Interconnection Reliability Network Upgrades ("IRNUs"), or those upgrades needed at the point of interconnection, is on a *per capita* allocation basis.¹²³ The CAISO similarly treats Interconnection Facilities on a *per capita* basis.¹²⁴ Finally, the CAISO utilizes a set of distinct network upgrade types, related to deliverability and reliability. These include General Reliability Network Upgrades ("GRNUs"), Local Delivery Network Upgrades ("LDNUs") and Area Delivery Network Upgrades ("ADNUs"). These correlate with the Commission's definition and treatment of System Network Upgrades, as the CAISO utilizes a

¹¹⁹ Order No. 2023 at P 458.

¹²⁰ Order No. 2023 at P 456.

¹²¹ Order No. 2023 at PP 458-459.

¹²² Section 6.3 of Appendix DD and proposed Section 6.3 of Appendix KK to the CAISO Tariff. Note also that though the CAISO uses different terminology, the CAISO does not have transmission credits.

¹²³ Section 6.3.1 of Appendix DD and proposed Section 6.3.1 of Appendix KK to the CAISO Tariff. IRNU costs are allocated both to interconnection customers in their Maximum Cost Responsibility (full cost) and Current Cost Responsibility (shared costs on a per capita basis), an existing framework the CAISO uses for interconnection customers, financiers, and load serving entities to understand a project's costs, potential costs, and the likelihood of costs going up or down.

¹²⁴ Proposed Section 6.3.3 of Appendix KK to the CAISO Tariff. The CAISO proposes to add this language from the *pro forma* LGIP for avoidance of doubt, though utilizes this same methodology currently.

proportional impact *pro rata* allocation to assign the costs of these upgrades to interconnection customers.¹²⁵

5. Shared Network Upgrades

Order No. 2023 did not revise the *pro forma* tariff. This section only maintains consistent headings between the transmittal letter and Order No. 2023.

6. Increased Financial Commitments and Readiness Requirements

Order No. 2023 requires each transmission provider to revise their interconnection procedures to adopt stronger financial commitments and readiness requirements to reduce speculative interconnection requests.¹²⁶ The CAISO adopts these reforms, as further described below.

a. Increased Study Deposits

Order No. 2023 requires each transmission provider to adopt a study deposit framework that collects from a single study deposit upon entry into the cluster.¹²⁷ The amount collected is calculated using a tiered approach based on the proposed MW size for the generating facility, as shown in the chart below.

Size of Proposed Generating Facility Associated with Interconnection Request	Amount of Deposit
< 80 MW	\$35,000 + \$1,000/MW
≥ 80 MW < 200 MW	\$150,000
≥ 200 MW	\$250,000

The CAISO proposes to adopt the reforms in Order No. 2023 consistent with the revisions to the Commission's *pro forma* LGIP.¹²⁸

¹²⁵ Section 6.3.1 and 6.3.2 of Appendix DD and proposed Section 6.3.1 and 6.3.2 of Appendix KK to the CAISO Tariff.

¹²⁶ Order No. 2023 at P 490.

¹²⁷ Order No. 2023 at P 503.

¹²⁸ Proposed Section 3.5.1.1 of Appendix KK to the CAISO tariff. A similar framework exists in the CAISO's current Appendix DD under this same section. The CAISO is removing existing language from the CAISO's current tariff provisions about refundability in order to adopt Order No. 2023's language on refundability under proposed Section 3.8 of Appendix KK to the CAISO tariff (Withdrawal Penalties).

b. Demonstration of Site Control

Order No. 2023 requires transmission owners to adopt more stringent site control requirements in order to prevent speculative interconnection requests.¹²⁹ As described in further detail below, the CAISO proposes to adopt the reforms in Order No. 2023 consistent with the Commission's *pro forma* LGIP.

i. Definition and Reasonable Evidence of Site Control

Under Order No. 2023, the Commission provides a new definition of site control, generally covering leasehold interests or right to develop, options to purchase or acquire a leasehold, or other documentation, all of a sufficient size to construct and operate the generating facility.¹³⁰ This language includes provision for multiple interconnection requests at the same location and the requirement for a contract or other agreement that allows for shared land use.

The CAISO proposes to adopt the reforms in Order No. 2023 consistent with the Commission's *pro forma* LGIP.¹³¹ Currently, the CAISO's tariff utilizes a similar definition of and framework for "site exclusivity," but allows for any interconnection customer to submit a deposit in lieu of. The CAISO proposes to remove the deposit option but for those circumstances prescribed by Order No. 2023, and described below, and to move from the site exclusivity framework to Order No. 2023's site control framework.

ii. Site Control Demonstration and Deposits in Lieu of Site Control

Order No. 2023 revises the *pro forma* LGIP to require interconnection customers to provide evidence of 90% site control for a generating facility at the time of the submission of the interconnection request, with the full 100% due at the time of the execution of the interconnection facilities study agreement.¹³² Transmission providers will maintain acreage requirements specific to each technology type in their business practice manuals.¹³³

¹²⁹ Order No. 2023 at P 538.

¹³⁰ Order No. 2023 at P 584.

¹³¹ Proposed Section 3.5.1(iii) of Appendix KK to the CAISO tariff. The CAISO has existing language around its earlier framework for site exclusivity, the CAISO has made several deletions of language throughout the template of Appendix DD that moves away from the CAISO's current framework to full compliance with the Commission's Order. These deletions are available in the chart provided as Attachments C and D to this letter.

¹³² Order No. 2023 at P 594.

¹³³ Order No. 2023 at P 602.

The CAISO proposes to adopt the reforms in Order No. 2023 consistent with the Commission's *pro forma* LGIP.¹³⁴ Finally, although the CAISO already includes acreage requirements in the Business Practice Manuals, the CAISO will review and make any necessary updates with the updates to the Business Practice Manuals to reflect all Order No. 2023 changes. This is consistent with Order No. 2023's recognition that technological advancements may reduce or change technology-specific acreage requirements.¹³⁵

iii. **Site Control Considerations for Interconnection Customers with Regulatory Limitations**

Order No. 2023 recognizes that certain interconnection customers may face regulatory limitations that prohibit the interconnection customer from obtaining site control at the time in which the interconnection request is due.¹³⁶ The Order thus allows for a deposit in lieu of site control, only for those interconnection customers with qualifying regulatory limitations. The initial deposit will be \$10,000 per MW, subject to a floor of \$500,000 and a ceiling of \$2 million. The deposit shall be refundable upon demonstration of site control of 90% if prior to the execution of the interconnection facilities study agreement, or 100% if after the execution of that agreement. Additionally, interconnection customers demonstrating a regulatory limitation must ultimately demonstrate site control within 180 days of executing the GIA. Finally, although the Order revises the *pro forma* LGIP to include language around how interconnection customers may demonstrate regulatory limitations, the Order requires transmission providers to individually define the regulatory limitations relevant to their service territory.¹³⁷

The CAISO proposes to adopt the reforms in Order No. 2023 consistent with the Commission's *pro forma* LGIP.¹³⁸ The CAISO will include the definition of regulatory limitation in its business practice manual. The CAISO agrees with the Commission's definition that it is "generally a federal, state, Tribal, or local law that makes it practically

¹³⁴ Proposed Section 3.5.1(iii) of Appendix KK to the CAISO tariff. The CAISO has existing language around its earlier framework for site exclusivity, the CAISO has made several deletions of language throughout the template of Appendix DD that moves away from the CAISO's current framework to full compliance with the Commission's Order. These deletions are available in the charts provided as Attachments C and D to this letter.

¹³⁵ Order No. 2023 at P 602. The CAISO already engages in updates to the acreage requirements, most recently in Business Practice Manual Provision Revision Request 1543, which was completed on March 12, 2024.

¹³⁶ Order No. 2023 at P 605.

¹³⁷ Order No. 2023 at P 607.

¹³⁸ Proposed Section 3.5.1(iii) of Appendix KK to the CAISO tariff. The CAISO has existing language around its earlier framework for site exclusivity, the CAISO has made several deletions of language throughout the template of Appendix DD that moves away from the CAISO's current framework to full compliance with the Commission's Order. These deletions are available in the charts provided as Attachments C and D to this letter.

infeasible to obtain site control within the time frame detailed in the *pro forma* LGIP.” Within the CAISO’s service territory, the CAISO intends to define “regulatory limitation” as a federal, state, or Tribal government process for acquiring site control that cannot be completed in the timeframe required for site control demonstration at the time of the interconnection request. The CAISO will explicitly define regulatory limitation in its BPM.

c. Commercial Readiness

Order No. 2023 requires transmission providers to adopt a new framework for commercial readiness deposits.¹³⁹ Interconnection customers will be required to submit an initial commercial readiness deposit of two times that customer’s study deposit in order to enter the queue.¹⁴⁰ The second and third commercial readiness deposits are based on the interconnection customer’s identified network upgrade cost assignment, 5% and 10% respectively.¹⁴¹ These deposits are due as follows: twenty days following the cluster study report meeting for the second deposit and upon execution of the Interconnection Facilities Study Agreement for the third deposit.

The CAISO proposes to adopt these Commercial Readiness Deposits as included by the Commission in Order No. 2023.¹⁴² The CAISO makes one minor revision to the *pro forma* tariff language provided by the Commission: in areas where the language specifies that the Commercial Readiness Deposit is submitted to the transmission provider,¹⁴³ specifying that these Commercial Readiness Deposits are provided to the participating transmission owner.¹⁴⁴ The CAISO has existing language it proposes to maintain that describes the specific forms of deposits, including letters of credit provided in favor of the applicable participating transmission owner or a cash deposit standing to the credit of the applicable participating transmission owner.¹⁴⁵ This existing framework alleviates the administrative burden on the CAISO of holding such deposits as intermediary, because these deposits ultimately go to the participating transmission owner for the sake of funding network upgrades. Interconnection customers and the transmission owners are accustomed to this practice in the CAISO’s service area and this process will not undermine the intention of the commercial readiness deposit directive in Order No. 2023.

¹³⁹ Order No. 2023 at P 690.

¹⁴⁰ Order No. 2023 at P 690.

¹⁴¹ Order No. 2023 at P 693.

¹⁴² Proposed Sections 3.5.1, 7.4.1, and 8.1.1 of Appendix KK to the CAISO tariff.

¹⁴³ Sections 3.4.2 and 8.1 of the *pro forma* LGIP.

¹⁴⁴ Proposed Sections 7.4.1 and 8.1.1 of Appendix KK to the CAISO tariff.

¹⁴⁵ Proposed Section 11.1 of Appendix KK to the CAISO tariff.

d. GIA Deposit

Order No. 2023 requires transmission providers to adopt a deposit to increase the total commercial readiness deposit to be 20% of the estimated network upgrade costs, at the time of GIA execution.¹⁴⁶

As described above, because the CAISO uses a single set of interconnection procedures for small and large generators, it has generalized LGIA and SGIA references to the GIA. The CAISO has therefore adopted a similar approach to this deposit, calling it more generically the GIA Deposit. Beyond this minor change, the CAISO proposes to use the tariff language from the *pro forma*.¹⁴⁷

e. Withdrawal Penalties

Order No. 2023 included revisions to the *pro forma* LGIP to impose withdrawal penalties on interconnection customers for withdrawing their interconnection requests from the interconnection queue, absent qualification for a specified limited exemption.¹⁴⁸ The CAISO adopts these revisions with limited independent entity variations to reflect regional differences in the CAISO interconnection process. Specifically, the CAISO proposes to adopt the same requirements for being subject to a withdrawal penalty and the same methodology for calculating the withdrawal penalty set forth in Order No. 2023, with only minor CAISO-specific changes.¹⁴⁹ The CAISO also proposes to address the distribution of withdrawal penalties by adding to and revising the existing provisions from the GIDAP regarding the calculation and distribution of non-refundable amounts to include withdrawal penalties,¹⁵⁰ instead of adopting the provisions in the *pro forma* LGIP on withdrawal penalty distribution.¹⁵¹

First, as explained above in III.A.3, the CAISO proposes to use withdrawal penalties assessed prior to the cluster study results to offset the cost of the reassessment for all customers, an offset previously provided by the site exclusivity deposit.¹⁵² For the remaining withdrawal penalties, or any withdrawal penalties assessed for interconnection customers withdrawing after the cluster study results, the CAISO proposes to maintain the

¹⁴⁶ Order No. 2023 at P 714.

¹⁴⁷ Proposed Section 13.3 of Appendix KK to the CAISO tariff; proposed Article 11.5 of Appendix LL to the CAISO tariff.

¹⁴⁸ Order No. 2023 at PP 780-813; Order No. 2023-A at PP 230-43.

¹⁴⁹ Compare proposed Section 3.8.1 of Appendix KK to the CAISO tariff with *pro forma* LGIP Section 3.7.1; compare proposed Section 3.8.1.1 of Appendix KK with *pro forma* LGIP Article 3.7.1.1.

¹⁵⁰ Proposed Section 7.6 of Appendix KK.

¹⁵¹ See Pro Forma LGIP Section 3.7.1.2 (including all subsections thereto).

¹⁵² Proposed Section 3.5.1.2 and 7.6 of Appendix KK of the CAISO tariff.

current process for using non-refundable deposits.¹⁵³ Specifically, the CAISO uses the non-refundable amounts to contribute to the construction of still-needed network upgrades, which is ultimately reflected as a reduction in the cost of the network upgrade allocated to the interconnection customers remaining in queue and funding those upgrades. As the Commission explains in Order No. 2023, using withdrawal penalties to reduce the cost impacts on customers remaining in the queue eliminates the potential for cascading withdrawals.¹⁵⁴ The CAISO thus proposes to maintain its process for use of non-refundable amounts, varying from the Order which instead first utilizes withdrawal penalties to support the funding of studies.¹⁵⁵ Reducing the costs of network upgrades benefits both the remaining interconnection customers who will have a lower cost responsibility, and ultimately the ratepayers who reimburse that funding over time.

The Commission has found that the CAISO's provisions on the calculation and distribution of non-refundable amounts are just and reasonable¹⁵⁶ and that they allow the CAISO to "more efficiently and equitably administer the interconnection queue."¹⁵⁷ Folding withdrawal penalties into the CAISO's existing calculation and distribution methodology satisfies the independent entity variation standard, because doing so will likewise allow the CAISO to administer the interconnection queue more efficiently and equitably, without undue discrimination.¹⁵⁸

7. Transition Process

Order No. 2023 only provides specific guidance on transitioning interconnection customers in serial studies into new cluster studies.¹⁵⁹ For those transmission providers like the CAISO that already have cluster studies, Order No. 2023 states:

We recognize that some transmission providers have existing cluster studies in progress and others have Commission-approved transition plans in progress. We emphasize that the provisions of this final rule are not intended to interfere with the timely completion of those in-progress cluster studies and transition processes. With respect to concerns about

¹⁵³ Proposed Section 7.6(c) of Appendix KK to the CAISO tariff.

¹⁵⁴ Order No. 2023 at P 799.

¹⁵⁵ Order No. 2023 at P 801.

¹⁵⁶ *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,231, at PP 26-29 (2014).

¹⁵⁷ *Cal. Indep. Sys. Operator Corp.*, 180 FERC ¶ 61,143, at P 2 & n.2 (2022).

¹⁵⁸ See Order No. 2023 at PP 1, 1764. For example, the CAISO proposes to add a provision in Section 7.6(b) of Appendix KK to the CAISO tariff stating that, for any withdrawal penalties assessed for an interconnection customer that withdraws or is deemed withdrawn during the cluster study but before the receipt of a cluster study report, the CAISO will use such funds to offset the costs of the cluster restudy on an equal basis for all interconnection customers studied in the restudy.

¹⁵⁹ Order No. 2023 at P 855 *et seq.*

duplicative transition processes, we clarify that transmission providers that have already adopted a cluster study process or are currently undergoing a transition to a cluster study process will not be required to implement a new transition process.¹⁶⁰

Although the CAISO is not required to implement a new transition process, a transition to the new study processes and schedules is timely and represents an opportunity for the CAISO. In IPE, the CAISO was developing very similar reforms to those in Order No. 2023, including site control requirements, streamlined study processes, and firm GIA execution deadlines, among others. The CAISO recognizes that it cannot proceed with cluster 15's extreme volume without first implementing the reforms Order No. 2023 requires. Delaying the transition to future clusters when cluster 15 is already paused would only exacerbate current challenges and cascade even worse delays to future clusters. Since Order No. 2023's publication, the CAISO has communicated to stakeholders and interconnection customers its intent to apply to Order No. 2023 to cluster 15.¹⁶¹ Understanding the challenges the CAISO faces, stakeholders and interconnection customers have supported this approach. The CAISO discusses its application of Order No. 2023 and the corresponding tariff revisions in Section IV, below.¹⁶²

B. Reforms to Increase the Speed of Interconnection Queue Processing

1. Elimination of the Reasonable Efforts Standard

Order No. 2023 requires each transmission provider to eliminate the reasonable efforts standard and adopt firm study deadlines. Although the CAISO tariff referenced the reasonable efforts standard, the CAISO and its transmission owners did not use it. Instead, the CAISO and its transmission owners treated their study deadlines as firm

¹⁶⁰ Order No. 2023 at P 861. In Order No. 2023-A, the Commission reiterated this finding and clarified that transmission providers that have already adopted a cluster study process are not required to file *pro forma* LGIA section 5 (entitled Procedures for Interconnection Requests Submitted Prior to Effective Date of the Cluster Study) and the related appendices in their compliance filings. Order No. 2023-A at P 73.

¹⁶¹ See IPE Straw Proposal (Sep. 21, 2023) ("the ISO must comply with Order No. 2023 and implement the proposals in this paper before commencing the Cluster 15 interconnection study"), <https://www.caiso.com/InitiativeDocuments/Straw-Proposal-Interconnecton-Process-Enhancements-2023-Sep212023.pdf>; IPE Draft Final Proposal (Feb. 8, 2024) ("The ISO intends to propose that Clusters 14 and earlier generally remain subject to the GIDAP requirements, and Clusters 15 and beyond will be subject to a new set of procedures and GIAs adopting Order No. 2023 revisions. The ISO will modify both the GIDAP and the new procedures as necessary based on this IPE initiative. It is important to understand, however, that these plans ultimately are subject to FERC's direction in Order No. 2023"), <https://www.caiso.com/InitiativeDocuments/DraftFinalProposal-InterconnectionProcessEnhancements2023.pdf>.

¹⁶² Because the CAISO has a cluster study already, Order No. 2023's transitional tariff revisions are inapplicable.

requirements, and nearly always completed every study on time. In the few recent instances where slight extensions were necessary due to high volume, the CAISO preemptively sought tariff changes under Section 205.¹⁶³ Nonetheless, the CAISO proposes to remove references to the reasonable efforts standard in its interconnection procedures.¹⁶⁴ This revision reaffirms the CAISO and its transmission owners' commitments to complete studies on time.¹⁶⁵

Order No. 2023 also requires transmission providers to include financial penalties for missing study deadlines: “[F]or RTOs/ISOs in which the transmission-owning members perform certain interconnection studies, the study delay penalties imposed under the new *pro forma* LGIP will be imposed directly on the transmission-owning member(s) that conducted the late study.”¹⁶⁶ The CAISO proposes to adopt the Commission’s *pro forma* language regarding penalties for late studies.¹⁶⁷ Because the CAISO’s transmission owners perform the interconnection studies subject to the penalties, and to avoid “the issue of how RTOs/ISOs [would] recover those specific penalties,”¹⁶⁸ the CAISO’s proposed tariff revisions assess the penalties directly to the interconnection transmission owner performing the study.¹⁶⁹ Because the transmission owners will handle any penalties themselves, the CAISO slightly modified the Commission’s *pro forma* language to include a requirement that the transmission owners notify the CAISO of its penalties.¹⁷⁰ This notification requirement will enable the CAISO to maintain all the required penalty data on its website.

2. Affected Systems

Order No. 2023 requires each transmission provider to establish an affected system study process. This process includes several new defined terms, tariff provisions, and associated agreements for the Commission’s *pro forma* LGIP.¹⁷¹ These revisions pertain to both sides of affected system processes, namely, when the

¹⁶³ See, e.g., *California Independent System Operator Corp.*, 176 FERC ¶ 61,207 (2021).

¹⁶⁴ Proposed Sections 2.2, 3.6.3, 6.6, 6.7.1, 8.5 of Appendix KK to the CAISO tariff (reflecting removals from Appendix DD).

¹⁶⁵ The CAISO’s new study timelines under Order No. 2023 are described in section III.A.2.i (Cluster Study Provisions) of this transmittal letter, above.

¹⁶⁶ Order No. 2023 at P 995.

¹⁶⁷ Proposed Section 3.11 of Appendix KK to the CAISO tariff. Note that the CAISO tariff refers to “FERC” where the *pro forma* LGIP refers to “the Commission.” The CAISO’s use of “FERC” avoids confusion with the California Public Utilities Commission, which also refers to itself as “the Commission.”

¹⁶⁸ Order No. 2023 at P 995.

¹⁶⁹ Proposed Section 3.11 of Appendix KK to the CAISO tariff.

¹⁷⁰ *Id.* at Section 3.11(7).

¹⁷¹ Order No. 2023 at PP 1112, 1113, 1119, 1192, and 1231.

transmission provider must notify neighboring systems they may be affected, and when the transmission provider itself is an affected system.

a. CAISO as an Affected System

Because the Western interconnection consists of isolated load pockets spread between long stretches of remote areas, the CAISO itself is rarely an affected system. In the last 15 years, the CAISO has not constructed *any* network upgrades due to generator interconnections in neighboring balancing authority areas. CAISO transmission owners, in fact, have performed only a few affected system studies. However, as the CAISO explained in its 2022 filing to establish a formal affected system study process, the CAISO has seen a slight uptick in recent years. This necessitated establishing the small set of procedures the Commission approved in 2022.¹⁷²

To comply with Order No. 2023, the CAISO proposes replacing its “CAISO as an Affected System” procedures with the Commission’s *pro forma* language, including the prescribed appendices and agreements.¹⁷³ The CAISO only proposes minor deviations from the *pro forma* language to capture when the Participating TO rather than the CAISO performs a function. Because affected system studies are for reliability impacts, the affected Participating TO generally performs the affected system studies and works with the interconnection customer and the CAISO to identify any required mitigation.¹⁷⁴ But the CAISO would have no role, rights, or obligations to perform in the construction agreements between the Participating TO and the interconnection customer, and therefore the Participating TO alone replaces references to transmission provider.

b. CAISO’s Process for Notifying Potentially Affected Systems

Although the CAISO is rarely an affected system, its interconnections frequently impact neighboring transmission providers. The CAISO has 20 neighboring transmission providers, 18 of which are not Commission jurisdictional.¹⁷⁵

¹⁷² *California Independent System Operator Corp.*, 178 FERC ¶ 61,223 (2022).

¹⁷³ Proposed Section 14.5 of Appendix KK to the CAISO tariff; appendices 11-14 of Appendix KK to the CAISO tariff; the CAISO also proposes to remove its existing affected system study agreement, Appendix B.23 of the CAISO tariff.

¹⁷⁴ In theory. Again, this has not occurred for a long time in the CAISO.

¹⁷⁵ 16 U.S.C. § 824(f). El Centro Nacional de Control de Energía (“CENACE”) is the public transmission provider and market operator in Mexico, and thus not subject to the Federal Power Act.



Accordingly, the CAISO and these affected systems have worked diligently to develop a coordinated process for receiving and processing affected system notices from the CAISO. The CAISO is unaware of any affected system dispute that resulted in a Complaint to the Commission or even termination of a GIA.

The CAISO's affected system notification process is very similar to the Commission's *pro forma* procedures. The CAISO believes its process complies with the intent of Order No. 2023, and meets the Commission's standard for independent entity variations. Previously the CAISO notified potentially affected systems within thirty days of the initial financial security requirement after the Phase I interconnection study.¹⁷⁶ This allowed affected systems to review a smaller pool after many interconnection customers review their study results and withdraw. The CAISO proposes to revise this provision in compliance with Order No. 2023, to notify potentially affected systems within ten business days of the commercial readiness deposit rising after the cluster study.¹⁷⁷

Additionally, the CAISO proposes to maintain its current Commission-approved practice whereby the potentially affected system has sixty days to review the cluster study results for the projects that may affect it, and advise the CAISO whether the affected system should be considered an "Identified Affected System" that may require an affected system study.¹⁷⁸ The CAISO believes this is a critical second step that saves all parties

¹⁷⁶ Section 3.7.1 of Appendix DD to the CAISO tariff.

¹⁷⁷ Proposed Section 3.7.1 of Appendix KK to the CAISO tariff.

¹⁷⁸ If a potentially affected system does not identify itself as an identified affected system, the interconnection customer no longer needs to consider that system as an affected system. The CAISO has not included sections 3.6.2 and 3.6.3 of the *pro forma* LGIP because the CAISO's cluster restudy is a given,

extensive work. Generally potentially affected systems can determine that the majority or all of the identified projects will not impact the reliability of their system in this 60-day period. Even though nearly all of the CAISO's affected systems are neither Commission jurisdictional nor subject to the CAISO tariff, they all have complied with this timeline.

For these reasons, the CAISO respectfully requests that the Commission find that the CAISO's proposed affected system notification process is just and reasonable, meets the intent of Order No. 2023, and meets the Commission's standard for independent entity variations.

C. Reforms to Incorporate Technological Advancements into the Interconnection Process

1. Increasing Flexibility in the Generator Interconnection Process

a. Co-Located Generating Facilities

Order No. 2023 requires each transmission provider to allow more than one generating facility to co-locate on a shared site behind a single point of interconnection and share a single interconnection request.¹⁷⁹ The CAISO already allows co-located generating units to share sites and interconnection studies. In fact, the CAISO already has studied and interconnected thousands of megawatts of co-located and hybrid resources.¹⁸⁰ For transparency and consistency with the Commission's *pro forma* LGIP, the CAISO nonetheless proposes to include the Commission's prescribed language.¹⁸¹

b. Revisions to the Modification Process to Require Consideration of Generating Facility Additions

Order No. 2023 requires each transmission provider to evaluate, prior to executing the facilities study agreement, the proposed addition of a generating facility at the same point of interconnection prior to deeming such an addition a material modification, if the

and is unlikely to impact affected systems' determinations. Moreover, the affected system already receives all new study/restudy results. Notification of the cluster restudy would only provide the affected system with information it already assumes.

¹⁷⁹ Order No. 2023 at P 1346.

¹⁸⁰ See <https://www.caiso.com/TodaysOutlook/Pages/supply.html> (separately tracking hybrid resources; co-located resources appear in the supply graphs based on their individual generating technology).

¹⁸¹ Proposed Section 3.1.2 of Appendix KK to the CAISO tariff. Note that the CAISO tariff refers to Generating Units in lieu of Generating Facilities because a Generating Facility is the aggregate term of Generating Units. Thus, an interconnection customer submits an interconnection request for a single Generating Facility, which can be comprised of multiple Generating Units with different technologies and fuels.

addition does not change the originally requested interconnection service level.¹⁸² Additionally, prior to the return of the cluster study agreement from the transmission provider to the interconnection customer, a decrease of up to 60% of electrical output (MW) must not be considered a material modification.¹⁸³ And prior to the return of the executed interconnection facilities study, an additional 15% decrease of electrical output of the proposed project must not be considered a material modification if the change occurred either through a decrease in plant size (MW) or a decrease in interconnection service level accomplished by applying transmission provider-approved injection-limiting equipment.¹⁸⁴

The CAISO already allows interconnection customers to propose modifications swapping or adding additional generation.¹⁸⁵ Interconnection customers may propose such modifications at any time so long as they do not increase the interconnection service capacity requested, result in a material modification, or substantially change the reliability characteristics of the generator (if it has already been studied). Storage additions, for example, are among the most common modification requests the CAISO and its transmission owners receive. Nonetheless, for transparency and consistency, the CAISO proposes to include the Commission's *pro forma* language on these issues.¹⁸⁶

c. Availability of Surplus Interconnection Service

Order No. 2023 requires each transmission provider to allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA.¹⁸⁷ The CAISO proposes to revise its surplus interconnection service provision as prescribed by Order No. 2023.¹⁸⁸ Additionally, because the CAISO has removed the serial independent study process, the CAISO clarified that interconnection customers

¹⁸² Order No. 2023 at P 1406.

¹⁸³ Order No. 2023 at P 1417.

¹⁸⁴ *Id.*

¹⁸⁵ Nothing prohibits these modifications, so interconnection customers request them frequently. Storage additions are one of the most common modifications.

¹⁸⁶ Proposed Section 6.7.2.8 of Appendix KK to the CAISO tariff (the CAISO tariff again refers to Generating Units rather than Generating Facilities, consistent with the discussion of co-located facilities, above); proposed Section 6.7.2.2 of Appendix KK to the CAISO tariff. Currently, the CAISO only has a provision for *per se* permissible modifications between the Phase I and Phase II studies. To adopt the Commission's revisions under Order No. 2023, the CAISO has added language specifying which modifications are permissible before the cluster study agreement and which modifications are permissible before the interconnection facilities study. This aligns the CAISO tariff with the Commission's *pro forma* LGIP and enables compliance with Order No. 2023 without making any substantive changes to rights or obligations that Order No. 2023 does not address.

¹⁸⁷ Order No. 2023 at P 1436.

¹⁸⁸ Proposed Section 3.4 of Appendix KK to the CAISO tariff.

would submit an interconnection request in the cluster study only in the unlikely event that they are unable to add generating units under the modification process.¹⁸⁹

d. Operating Assumptions

Order No. 2023 requires each transmission provider, at the request of the interconnection customer, to use operating assumptions in interconnection studies that reflect the proposed charging behavior of electric storage resources (whether standalone, co-located generating facilities, or part of a hybrid generating facility)—*i.e.*, whether the interconnecting generating facility will or will not charge during peak load conditions—unless good utility practice, including applicable reliability standards, otherwise requires the use of different operating assumptions.¹⁹⁰ Order No. 2023 also allows interconnection customers to resubmit their operating assumptions if the transmission provider finds the originally proposed operating assumptions are in conflict with good utility practice, and allows the transmission provider to require the interconnection customer to install additional control technologies.¹⁹¹ Order No. 2023 also requires transmission providers to study electric storage resources that request ERIS or NRIS service—deliverability status in the CAISO—according to the interconnection customer’s proposed operating assumptions.¹⁹² These requirements apply to requests to use surplus interconnection service or add storage to a generating facility through the modification process.¹⁹³ GIAs must include operating assumptions and any control technologies, and describe a violation of the operating assumptions.¹⁹⁴

The CAISO proposes to comply with all requirements regarding operating assumptions, and has incorporated all prescribed revisions to the *pro forma* LGIP,

¹⁸⁹ Generally an interconnection customer will be able to use the modification process because developers generally add capacity consistent with the reliability characteristics of the originally studied generation (such as new storage or more wind or solar). An interconnection customer only would have to submit a new interconnection request where Section 25 of the CAISO tariff would require it (*e.g.*, adding a gas-fired turbine to a solar farm). In any case, developers in the CAISO generally do not use the surplus interconnection service process because adding generation or storage through the CAISO’s modification and repowering provisions, and effecting assignments, is relatively easier than under other tariffs.

¹⁹⁰ Order No. 2023 at P 1509. For storage resources, operating assumptions refer to charging only. Interconnection customers must include in their interconnection request the proposed operating assumptions that reflect the proposed charging behavior of the electric storage resource and a description of any control technologies that will limit the operation of the electric storage resource to its intended operation. The interconnection facilities study must account for the operating assumptions as well. Order No. 2023 at P 1518.

¹⁹¹ Order No. 2023 at P 1511.

¹⁹² Order No. 2023 at P 1512.

¹⁹³ Order No. 2023 at PP 1514-16.

¹⁹⁴ Order No. 2023 at PP 1517; 1521. This paragraph was intended as a summary, not an exhaustive list, of the Commission’s requirements. Readers should refer to Order No. 2023 for a complete description of the operating assumptions requirements. The CAISO proposes to comply with all requirements and has incorporated all prescribed revisions to the *pro forma* LGIP in the RIS.

LGIA, and SGIA in the CAISO's RIS, LGIA, and SGIA, respectively. The CAISO has mapped each *pro forma* revision to the CAISO tariff in Attachment C.

2. Incorporating the Enumerated Alternative Transmission Technologies in the Generator Interconnection Process

Order No. 2023 requires each transmission provider to evaluate the following enumerated list of alternative transmission technologies: static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting (collectively, "grid enhancing technologies" or "GETs").¹⁹⁵ Transmission providers must consider GETs at all times and without request from the interconnection customer. Transmission providers must include in the cluster study report an explanation of the results of the evaluation of the enumerated alternative transmission technologies for feasibility, cost, and time savings as an alternative to a traditional network upgrade.

The CAISO proposes to adopt the Commission's *pro forma* language in compliance with these requirements.¹⁹⁶ The CAISO already considered GETs in its transmission planning and interconnection processes, and will continue to do so in compliance with Order No. 2023.

3. Modeling the Ride-Through Requirements for Non-Synchronous Generating Facilities

a. Modeling Requirements

Order No. 2023 requires each interconnection customer requesting to interconnect a non-synchronous generating facility to submit to the transmission provider: (1) a validated user-defined root mean square ("RMS") positive sequence dynamic model; (2) an appropriately parameterized generic library RMS positive sequence dynamic model, including a model block diagram of the inverter control system and plant control system, that corresponds to a model listed in a new table of acceptable models or a model otherwise approved by the Western Electricity Coordinating Council ("WECC"); and (3) a validated EMT model, if the transmission provider performs an electromagnetic transient ("EMT") study as part of the interconnection study process.¹⁹⁷ Order No. 2023 also (1) defines a user-defined model as any set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software-based and

¹⁹⁵ Order No. 2023 at P 1578.

¹⁹⁶ Proposed Section 6.2 of Appendix KK to the CAISO tariff.

¹⁹⁷ Order No. 2023 at P 1659.

represent the entities' control strategies but does not necessarily correspond to any particular generic library model; (2) adds a table of acceptable generic library models, based on the current WECC list of approved dynamic models for renewable energy generating facilities; and (3) requires that any proposed modification of the interconnection request be accompanied by updated models of the proposed generating facility.¹⁹⁸

The CAISO proposes to adopt the Commission's *pro forma* language.¹⁹⁹ The CAISO has revised the language, however, to remove the optional reference to an electromagnetic transient study, which the CAISO does not perform in the interconnection studies. Likewise, because the CAISO uses GE software, the CAISO removed the columns for Siemens and Powerworld files.²⁰⁰

b. Ride Through Requirements

Order No. 2023 requires each transmission provider to establish ride through requirements during abnormal frequency conditions and voltage conditions within the "no trip zone" defined by North American Electric Reliability Corporation ("NERC") Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, as set forth in the modified *pro forma* LGIA language discussed below.²⁰¹ Specifically, Order No. 2023 requires that during abnormal frequency conditions and voltage conditions within the "no trip zone" defined by NERC Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous generating facility must ensure that, within any physical limitations of the generating facility, its control and protection settings are configured or set to: (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless providing primary frequency response or fast frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response or fast frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response or fast frequency response.²⁰² "[G]iven the importance of prioritization of reactive power," Order No. 2023-A clarifies that a generating facility

¹⁹⁸ Order No. 2023 at P 1660.

¹⁹⁹ Proposed Section 6.7.2.3 and Attachment A to Appendix 1 of Appendix KK to the CAISO tariff.

²⁰⁰ The CAISO does not have an SGIP and distributed energy resources interconnect under the wholesale distribution access tariffs, not the CAISO tariff.

²⁰¹ Order No. 2023 at P 1711.

²⁰² Order No. 2023 at P 1715.

must ensure that it continues to provide active power production at pre-disturbance levels “unless reactive power priority mode is enabled.”²⁰³

The CAISO’s existing GIAs comply with these requirements. Grappling with more non-synchronous generation than any other region, the CAISO established detailed ride-through requirements in 2019 after working with the Commission, NERC, WECC, transmission owners, developers, and inverter manufacturers.²⁰⁴ For transparency and consistency with the *pro forma* LGIA, the CAISO still proposes to include the Commission’s revisions to the CAISO LGIA and SGIA.²⁰⁵

The Commission’s *pro forma* language provides high-level, general rules in the body of the GIAs. The CAISO’s GIA appendices²⁰⁶ then provide far more granular instructions consistent with these general rules. Since 2019, the CAISO and its transmission owners have found these granular instructions invaluable in providing clear, transparent rules for interconnection customers to program their inverters and plant controls. The CAISO has found that without very specific enumerated requirements, interconnection customers will struggle to comply with ride-through requirements, threatening reliability. These struggles are not the result of negligence or any intention to avoid compliance. To the contrary, developers and inverter manufacturers work diligently to address these issues. But all parties are faced with a steep and complex learning curve for new equipment and software. For these reasons, the CAISO proposes to maintain its granular ride-through requirements to clarify the Commission’s high-level requirements. Doing otherwise would risk reliability and jeopardize the significant progress the CAISO and its stakeholders have made over the last several years.

For example, the first requirement that generating facilities continue active power production during disturbance and post-disturbance periods at pre-disturbance levels is detailed throughout Section A.i of Appendix H to the LGIA.²⁰⁷ This section describes how non-synchronous generators must ride through disturbances and return to pre-disturbance levels quickly following an event. It requires the resource, upon cessation of the transient voltage conditions and the return of the grid to normal operating voltage,

²⁰³ Order No. 2023-A at P 661.

²⁰⁴ *California Independent System Operator Corp.*, 168 FERC ¶ 61,003 (2019).

²⁰⁵ Proposed Article 9.7.3 of Appendix LL to the CAISO tariff; proposed Article 1.5.7 of Appendix MM to the CAISO tariff. The CAISO has removed references to fast frequency response because the CAISO does not have that product.

²⁰⁶ Appendix H to the LGIA and Attachment 7 to the SGIA.

²⁰⁷ Sections A.i.3 and A.i.11 of Appendix H to the LGIA provide more granular details on the second requirement in Section 9.7.3, section A.1.3 provides more granular details on the third requirement in section 9.7.3, and section A.i.11 provide more granular details on the fourth requirement in section 9.7.3.

to automatically transition to normal active current injection in one second or less. The CAISO notes that it also includes a requirement that

For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.²⁰⁸

This requirement is consistent with Order No. 2023, and does not conflict with the requirement to continue active power production. Order No. 2023 expressly states that its proposed language "is consistent with suggestions by a number of commenters that the final rule recognize that non-synchronous generating facilities cannot provide both real and reactive power at pre-disturbance levels during a disturbance, allow for the prioritization of reactive power, and address restoration of active power output in the post-fault period," which cites the CAISO's comments directly.²⁰⁹ Order No. 2023 also "agrees with commenters," including the CAISO,²¹⁰ that "requiring active power to be maintained at pre-disturbance levels during a system disturbance in all instances may not be feasible, or preferable from a reliability perspective. For example, we agree there may be instances where the injection of reactive power should be prioritized to maintain reliability during a system disturbance, which may require non-synchronous generating facilities to temporarily reduce their injection of active power."²¹¹ The CAISO's experience with system disturbances affirms its prioritization for generating facilities to prioritize injecting reactive power, then returning to active current injection. The CAISO's granular requirement also is consistent with Order No. 2023-A's clarification that transmission providers and generating facilities can prioritize reactive power injection.²¹²

c. Applicability of Ride Through Requirements

Order No. 2023 requires each transmission provider to require that all newly interconnecting large generating facilities provide frequency and voltage ride through capability consistent with any standards and guidelines that are applied to other generating facilities in the balancing authority area on a comparable basis. Adopting

²⁰⁸ Section A.i.3 of Appendix H to the LGIA.

²⁰⁹ Order No. 2023 at P 1716 n. 3247.

²¹⁰ Order No. 2023 at P 1717 n. 3251.

²¹¹ Order No. 2023 at P 1717.

²¹² Order No. 2023-A at PP 660-61.

this reform enables the Commission to address an existing gap in the applicability of ride through requirements for large generating facilities with a capacity above 20 MW and with a gross plant/facility aggregate nameplate rating 75 MVA or less.²¹³ Order No. 2023 also replaces the term “applicable reliability council” with “electric reliability organization,” and the term “control area” with “balancing authority area,” and clarifies that “regional reliability standards are considered part of the electric reliability organization’s set of reliability standards and are therefore covered under the proposed definition.”²¹⁴

As discussed in the previous section, the CAISO proposes to comply with the Commission’s revisions to the LGIA and SGIA, and has revised its GIAs accordingly.²¹⁵

IV. Transition

A. Restarting Cluster 15 and Alignment with Transmission Planning Process

The CAISO must apply the Order No. 2023 tariff revisions to cluster 15, and has included tariff revisions to effect this application.²¹⁶ Applying Order No. 2023 to cluster 15 is a necessity because cluster 15 was already paused and the CAISO was developing similar revisions as Order No. 2023 to address cluster 15’s volume when the Commission issued Order No. 2023.²¹⁷ Rather than continue to develop its own unique tariff procedures to shorten the study process, avoid study and GIA delays, and require site control for cluster 15, the CAISO adopts the Commission’s revisions as required by Order No. 2023. Only with these revisions and the iterative, unrelated tariff revisions from the CAISO’s IPE initiative will the CAISO be able to study cluster 15 and future clusters on a timely basis and with useful results.

Applying Order No. 2023 to cluster 15 is doubly advantageous because cluster 15 was already paused, and stakeholders are well aware that the CAISO would need a new set of tariff revisions to address its volume. Moreover, both the cluster 15 pause and implementing Order No. 2023 required re-aligning the interconnection study process with the transmission planning process. Doing both now is thus efficient, and avoids having to pause, wait, and re-align the interconnection studies with the transmission planning process later. In contrast, if the CAISO proceeded to study

²¹³ Order No. 2023 a P 1733.

²¹⁴ Order No. 2023 at P 1735.

²¹⁵ Consistent with the Commission’s clarification, the CAISO’s proposed definition of electric reliability council expressly includes WECC because historically the CAISO interconnection tariff provisions referred to WECC. The preponderance of specific WECC requirements also warrants specific mention, and provides the reader transparency.

²¹⁶ Proposed Section 17 of Appendix DD to the CAISO tariff.

²¹⁷ *California Independent System Operator Corp.*, 186 FERC ¶ 61,241 at P 13 (2024).

cluster 15 under the GIDAP, and waited to apply Order No. 2023 to cluster 16, it would require an additional lengthy pause to finish cluster 15 and begin cluster 16 when the new timelines would align with the transmission planning process. Although transitioning to Order No. 2023 procedures now requires waiting some months for the Commission to rule on this filing, that delay is negligible compared to what would be required to wait until cluster 16 and is outweighed by the risk of even further delay. The CAISO also will take advantage of this time to prepare its interconnection customer interfaces and business practice manuals for the new interconnection procedures, thus further improving the process and the likelihood of timely and meaningful results.

Realigning the interconnection process with the transmission planning process is essential because the new delivery network upgrades developers target for interconnection comes from the transmission plan. The interconnection process likewise informs the transmission planning process—the two work from and add to the same base cases. Additionally, the CAISO and transmission owner planning engineers who work on the transmission plan and who work on interconnection studies are the same engineers. The CAISO’s proposed schedule properly accounts for when they can work on transmission planning and interconnection studies. For these reasons since the Commission issued Order No. 2023, the CAISO has consistently represented to stakeholders, interconnection customers, and Commission staff that cluster 15 would be subject to the full set of tariff revisions required by Order No. 2023.²¹⁸ Stakeholders understand and support this approach.

To restart cluster 15 and realign its study with the transmission planning process, the CAISO proposes tariff revisions effecting the following:²¹⁹

1. Between October 1, 2024 and December 1, 2024, cluster 15 interconnection customers may submit any element of their interconnection request now required but not previously submitted. This will likely include revised study deposits and site control documentation for those customers that have not already demonstrated site control. Order No. 2023 clearly expresses that site control should be a minimum requirement for interconnection studies, and the CAISO has repeatedly communicated to stakeholders that cluster 15 would be required to provide site control before study.²²⁰

²¹⁸ CAISO, IPE Straw Proposal at pp. 20 *et seq.* (Sep. 21, 2023), <https://www.caiso.com/InitiativeDocuments/Straw-Proposal-Interconnecton-Process-Enhancements-2023-Sep212023.pdf>.

²¹⁹ Proposed Section 17 of Appendix DD to the CAISO tariff.

²²⁰ CAISO, IPE Straw Proposal at p. 21 (Sep. 21, 2023) (“Among related reforms, FERC Order No. 2023 increases the site control requirement to 90% upon submission of an interconnection request; therefore, the IPE process will no longer consider changes to the current site exclusivity requirement. The ISO will comply with the site control requirements established in Order No. 2023, which will apply to Cluster 15”),

2. Between October 1 and December 1, 2024 interconnection customers also may modify their Interconnection Requests (a) as permissible before today's Phase II study;²²¹ (b) to change generating technology or fuel; and (c) to add or increase energy storage capacity. This will allow developers to refresh their interconnection requests to account for the time passed and how they believe Order No. 2023 and the current transmission topology may affect their projects. Interconnection customers cannot increase their requested interconnection service capacity or change their point of interconnection outside of their study area.²²² Modifications effected during this period will have no impact on interconnection customers' rights to modify their projects under the CAISO tariff after the study commences.
3. The CAISO will validate cluster 15 interconnection requests between January 1, 2025 and May 1, 2025. The longer than typical validation period is critical due to cluster 15's unique and overwhelming volume.
4. A cluster 15 interconnection customer that withdraws its interconnection request prior to January 1, 2025 will receive a refund of its interconnection study deposit, including any interest earned, minus any costs expended on the interconnection customer's behalf. If an interconnection customer submitted a site exclusivity deposit, it will receive a complete refund of its site exclusivity deposit, including any interest earned. Withdrawals effected pursuant to this provision will not affect Interconnection Customers' rights to withdraw after January 1, 2025, and receive any corresponding refund and interest under the CAISO tariff.
5. The CAISO will begin the Cluster 15 Cluster Study on June 1, 2025. With the commencement of the Cluster Study, the CAISO, Participating TOs, and

<https://www.caiso.com/InitiativeDocuments/Straw-Proposal-Interconnecton-Process-Enhancements-2023-Sep212023.pdf>. The CAISO repeated this message in each subsequent IPE paper.

²²¹ Section 6.7.2.2 of Appendix DD to the CAISO tariff, including: (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment; (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, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld; (e) change in Point of Interconnection as set forth in Section 6.7.2.1; (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status; (g) Permissible Technological Advancements; and (h) change from Off-Peak Deliverability Status to Off-Peak Energy Only.

²²² Either change essentially would constitute a new interconnection request, and allowing new interconnection requests in cluster 15 would be inequitable.

Interconnection Customers will comply with all RIS provisions, schedules, rights, and obligations.

These dates provide sufficient time for cluster 15 interconnection customers to refresh their interconnection requests, while providing the CAISO and transmission owner staff sufficient time to review modifications and validate interconnection requests accounting for cluster 15's volume. More critically, restarting cluster 15 as proposed above realigns the new interconnection study schedule with the transmission planning process, thereby ensuring future clusters can consider new transmission capacity before submitting interconnection requests.

In Order No. 2023-A, the Commission clarified that a transmission provider currently conducting a cluster study process need not adopt the transitional readiness requirements contained in Order Nos. 2023 and 2023-A if the transmission provider proposes a variation from those requirements.²²³ As discussed above, the CAISO proposes a just and reasonable independent entity variation for cluster 15 and subsequent clusters. There is no need for Commission to require the CAISO to adopt transitional readiness requirements for any queue cluster. The CAISO has completed the study processes for all clusters up through cluster 14. Cluster 15 exists but the CAISO has not yet started the validation process, which means any interconnection customer in cluster 15 can choose either to remain in the cluster and be subject to the process proposed above following its acceptance by the Commission or to withdraw from the queue without incurring any withdrawal expense. Thus, no complex transitional mechanism is required because the CAISO's approach is simpler and easier than the Commission's proposed transitional requirements.

B. Cluster Application Window

A critical part of re-aligning the interconnection process and the transmission planning process is the cluster application window. As explained above, the CAISO proposes to move the window from April 1 to October 1. However, the CAISO cannot open a new interconnection request window until October 2026.²²⁴ As described above, the CAISO has yet to begin studying cluster 15. By October 2025 the CAISO will not have even completed cluster 15's initial cluster study. More critically, the CAISO will not have released a new transmission plan by October 2025, so all planned transmission upgrades will be completely subscribed by interconnection customers from clusters 15 and earlier. Without new area delivery network upgrades, for example, there will be little to no deliverability capacity available on the CAISO controlled grid. Because virtually all interconnection customers seek to be fully deliverable to provide resource adequacy—all 500+ cluster 15 interconnection requests, for example—no deliverability

²²³ Order No. 2023-A at P 75.

²²⁴ Proposed Sections 3.3 of Appendix KK and Appendix DD to the CAISO tariff.

capacity means interconnection customers will not know where they can interconnect to be deliverable.²²⁵

The CAISO recognizes this will result in a gap of three years between interconnection request windows, but this is not unreasonable under the circumstances. The CAISO and its transmission owners will have studied substantial amounts of new capacity during this time: Cluster 14 alone comprised 204 interconnection customers with 65,506 MW of capacity, 125 percent of the CAISO's historic peak demand. With cluster 14, the CAISO's existing queue has 439 active interconnection customers with completed studies comprising 120,346 MW of capacity, 231 percent of the CAISO's historic peak demand. These figures exclude online and withdrawn projects and all of cluster 15—the CAISO's largest cluster ever. The CAISO's delay between cluster application windows is simply the result of transitioning interconnection procedures at a time when the CAISO also faces its largest cluster ever, all with a backdrop of the pending and now final Order Nos. 2023 and 2023-A.

V. Effective Date

The CAISO requests an effective date of May 17, 2024, one day after today.²²⁶ The CAISO intends to commence implementing the CAISO's proposed tariff revisions subject to any determination or modification by the Commission thereafter. This timeframe will enable the CAISO to move immediately to implement its new interconnection procedures and the transitional tariff revisions for cluster 15. As the CAISO explained in Section IV, a later transition would delay cluster 15 and future clusters even further and create uncertainty in the West. The urgency to implement the new procedures is consistent with the Commission's determinations in Order No. 2023 that transmission providers should move quickly and address the challenges created by queue backlogs and uncertainty regarding the cost and timing of interconnection.²²⁷ The CAISO's proposed effective date establishes a filed rate and puts cluster 15 on notice to prepare to comply with Order No. 2023's requirements. It also clarifies for previous clusters—all of which have completed the study process—that they will remain subject to the CAISO's existing procedures and agreements.

²²⁵ Area delivery network upgrades are policy-driven network upgrades from the transmission planning process, determined by where local regulatory authorities have elected to obtain deliverable capacity in the future, like the CPUC's integrated resource plan.

²²⁶ Order No. 2023-A, P 669, expressly permits effective dates before a Commission order ("We confirm that transmission providers may propose effective dates in their compliance filings that align with their existing queue processing dates, such as the start of a new processing window. We will consider these requests on a case-by-case basis in each individual compliance filing. To the extent Order No. 2023 suggested, by referencing MISO's compliance filing, that transmission providers may not be granted an effective date that predates the Commission order on compliance, we clarify that the Commission will consider, and may grant, requests from transmission providers for an effective date that predates the Commission's order on their compliance filing, on a case-by-case basis").

²²⁷ Order No. 2023 at PP 3, 862, 866.

The CAISO has made every effort to enable the Commission to expeditiously approve the CAISO's proposed tariff revisions as just, reasonable, and compliant with Order No. 2023. The CAISO has minimal proposed independent entity variations, and mirrors the Commission's revisions to its *pro forma* tariff as much as possible. The CAISO also has attached extra redline comparisons and tables to aid the Commission's review of the CAISO's compliance. Most critically, the CAISO has completely adopted the central reforms of Order No. 2023 by adopting the Commission's prescribed timelines, completely eliminating the reasonable efforts standard, and adopting the Commission's numerous other reforms. The requested effective date is therefore essential and meets the Commission's objectives.

VI. Communications

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,²²⁸ the CAISO requests that all correspondence, pleadings, and other communications regarding this filing should be directed to following:

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VII. Service

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

²²⁸ 18 C.F.R. § 385.203(b)(3).

VIII. Contents of Filing

Besides this transmittal letter, this filing includes these attachments:²²⁹

- Att. A Clean CAISO tariff sheets incorporating this tariff amendment
- Att. B Red-lined document showing the revisions in this tariff amendment
- Att. C Informational matrix mapping Order No. 2023 compliance directives by existing and proposed CAISO tariff provisions
- Att. D Informational table arranged by Order No. 2023 requirement
- Att. E Informational red-lined document comparing proposed Appendices KK, LL, MM (RIS and GIAs) and existing appendices DD, EE, and FF (GIDAP and GIAs) to the CAISO tariff

IX. Conclusion

For the reasons set forth above, the CAISO respectfully requests that the Commission find that the CAISO complies with Order No. 2023.

Respectfully submitted,

/s/ William H. Weaver

Roger E. Collanton

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Counsel for the California Independent
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²²⁹ Attachments C, D, and E are informational only. Given the volume of tariff revisions, there may be some discrepancies between their mapping, this letter, and the tariff records; however, only the tariff records constitute the proposed filed rate, and all other attachments are explanatory.

Attachment A – Clean Tariff

Tariff Amendment to Comply with Order No. 2023

California Independent System Operator Corporation

May 16, 2024

Section 25

25. Interconnection of Generating Units and Facilities

25.1 Applicability

This Section 25 applies to:

- (a) each new Generating Unit that seeks to interconnect to the CAISO Controlled Grid;
- (b) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;
- (c) each Generating Unit connected to the CAISO Controlled Grid that will be modified without increasing the total capability of the power plant but has change the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.
- (d) each existing Generating Unit connected to the CAISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2;
- (e) each existing Generating Unit that is a Qualifying Facility and that is converting to a Participating Generator without repowering or reconfiguring the existing Generating Unit, subject to Section 25.1.2;
- (f) each existing Generating Unit connected to the CAISO Controlled Grid that proposes to repower its Generating Unit pursuant to Section 25.1.2; and
- (g) Generating Units interconnecting to the CAISO Controlled Grid over a Subscriber Participating TO transmission facilities using Subscriber Rights are required to apply for TP Deliverability under Section 25.1 once (1) the Subscriber Participating TO transmission facilities have completed their transmission interconnection studies with all interconnecting Transmission Owner(s), (2) Subscriber(s) have executed the Generator Interconnection Agreement, (3) the Subscriber Participating TO has committed to proceed with Construction Activities regarding the Subscriber Participating TO transmission facilities, and (4) the applicant provides a notice in writing to the applicable

interconnecting Transmission Owners that it is proceeding with Construction Activities.

Once these criteria have been completed, the Generating Unit must apply as follows:

- (1) each Generating Unit possessing Subscriber Rights and receiving Deliverability from TPP-approved Network Upgrades shall apply for TP Deliverability allocation through the submission of a Subscriber Participating TO-specific deliverability allocation request subject to Appendix DD, Section 8.9 and does not submit an Interconnection Request under Section 25;
- (2) each Generating Unit that does not meet the criteria under Section 25.1(g)(1) shall be treated in accordance with Section 25.1(a).

25.1.1 Interconnection Request and Generating Unit Requirements

The owner of a Generating Unit described in Section 25.1 (a), (b), (c), or (g), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2 Affidavit Requirements

If the owner of a Generating Unit described in Section 25.1(d), (e), or (f) or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes and a \$50,000 deposit for the study. The CAISO, in coordination with the applicable Participating TO, will evaluate whether the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

25.1.2.1 If the CAISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However,

the owner of the Generating Unit, or its designee, will be required to execute a CAISO Generator Interconnection Agreement, as applicable. All Generation Units described in Section 25.1(d), (e), and (f) will be required to comply with the CAISO's new resource implementation process to ensure compliance with applicable tariff provisions and Applicable Reliability Criteria, as specified in the Business Practice Manuals.

25.1.2.2 If the CAISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Generating Unit, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix KK.

25.1.2.3 Upon receipt of the affidavit, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within thirty (30) days. Upon receipt of an executed study plan the CAISO will commence the study. The CAISO will complete the study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete the study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the study shall be borne by the Generating Unit owner requesting the study.

25.1.2.4 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the study. If the actual costs of the study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the study.

25.2 Interconnection to the Distribution System

Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the CAISO Controlled Grid consistent with Appendix KK. In addition, each Participating TO will provide to the CAISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the CAISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

25.3 Maintenance of Encumbrances

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the CAISO. The applicable Participating TO, in consultation with the CAISO, shall identify any such adverse effect on its Encumbrances in the applicable Interconnection Study. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

25.4 Asynchronous Generating Facilities

25.4.1 Asynchronous Generating Facilities-Reactive Power

The reactive power requirements set forth in FERC's Order No. 827 will apply to: 1) the entirety of an existing Asynchronous 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 Asynchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new Asynchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required. Under these requirements, the Asynchronous Electric Generating Facility or Asynchronous Electric Generating Unit, as applicable, will maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the

range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors or reactors, or a combination of the two.

An existing Asynchronous Generating Facility making upgrades to its Generating Unit(s) through the Fast Track Process will maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors or reactors, or a combination of the two.

25.4.2 Asynchronous Generating Facilities – GIA Technical Criteria

The technical requirements for Asynchronous Generating Facilities set forth in Appendix H to Appendix LL to the CAISO tariff and Attachment 7 to Appendix MM to the CAISO tariff, or applicable successor requirements, apply to existing individual Generating Units to the extent the Generating Facility makes modifications that replace its Generating Unit(s) or any inverter(s), even where a new Interconnection Request is not required or the Interconnection Customer is subject to an earlier SGIA or LGIA. The same technical requirements will not apply where the Generating Facility replaces an inverter as part of routine maintenance or repairs due to malfunction or failure.

25.5 Modifications to Generating Facilities

Pursuant to the modification provisions of their GIAs, Generating Facilities that have achieved their Commercial Operation Date may make modifications to their Generating Facilities where the CAISO and the Participating TO are notified at least ninety (90) calendar days in advance of commencement of work and sufficient information is provided such that the CAISO and the Participating TO(s) have determined that Section 25.1 does not apply to the modification.

25.5.1

Prior to making any modification after the Generating Facility's Commercial Operation Date, the Generating Unit owner must first request that the CAISO evaluate whether Section 25.1 would apply to the modification. In response to the Generating Unit owner's request, the CAISO, in coordination with the affected Participating TO, will evaluate the proposed modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. The CAISO will inform the Generating Unit owner in writing whether Section 25.1 would apply to the modification and therefore be denied. Costs incurred by the Participating TO and the CAISO (if any) shall be borne by the party making the request under Section 25.5, and such costs shall be included in any CAISO invoice for modification assessment activities.

25.5.2

The Generating Unit owner will provide the CAISO a \$50,000 deposit for repowering requests, or a \$10,000 deposit for all other modification assessments at the time the request is submitted. Except as provided below, any modification assessment will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Generating Unit owner's written notice to modify the project, technical data required to assess the request, and payment of the applicable deposit. If the modification assessment cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

25.5.3

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the modification request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner,

as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

Appendix A

- Affected System Facilities Construction Agreement

The agreement contained in Appendix 13 to the RIS between the CAISO and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the CAISO Controlled Grid.

- Affected System Interconnection Customer

Any entity that submits an interconnection request for a generating facility to a transmission system other than the CAISO's Transmission System that may cause the need for Affected System Network Upgrades on the CAISO Controlled Grid.

- Affected System Network Upgrades

The additions, modifications, and upgrades to the CAISO Controlled Grid required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than the CAISO Controlled Grid.

- Affected System Queue Position

The queue position of an Affected System Interconnection Customer in the CAISO's interconnection queue relative to the CAISO's Interconnection Customers' Queue Positions.

- Affected System Study

The evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than the CAISO Controlled Grid that have an impact on the CAISO Controlled Grid, as described in Section 14.5 of the RIS.

- Affected System Study Agreement

The agreement contained in Appendix 11 to the RIS between the CAISO and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 14.5 of the RIS.

- Affected System Study Report

The report issued following completion of an Affected System Study pursuant to Section 14.5.6 of the RIS.

- Cluster Application Window

The time period for submitting Interconnection Requests as set forth in Section 3.3 of Appendix KK.

- Cluster Restudy

A restudy of a Cluster Study conducted pursuant to Section 7.4 of the RIS.

- Cluster Restudy Report

The report issued following completion of a Cluster Restudy pursuant to Section 7.4 of the RIS.

- Cluster Study Agreement

The pro forma agreement between the CAISO and the Interconnection Customer for conducting Interconnection Studies for a proposed Generating Facility under Appendix KK.

- Cluster Study Process

The following processes, conducted in sequence: the Cluster Application Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

- Cluster Study Report Meeting

The meeting held to discuss the results of a Cluster Study pursuant to Section 7 of the RIS.

- Commercial Readiness Deposit

A deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

- Current Cost Responsibility (CCR)

The Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's Interconnection Financial Security, Commercial Readiness Deposit, and GIA Deposit requirements, as applicable.

- Customer Engagement Window

The time period set forth in Section 3.5.2 of the RIS.

- Electric Reliability Organization

The North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

- Generating Facility Capacity

The net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one Generating Unit for the production and/or storage for later injection of electricity.

- Generating Unit

An individual electric generator, or storage for later injection of electricity, and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is: (a) located

within the CAISO Balancing Authority Area (which includes a Pseudo-Tie of a generating unit to the CAISO Balancing Authority Area) or, for purposes of scheduling and operating the Real-Time Market only, an EIM Entity Balancing Authority Area; (b) connected to the CAISO Controlled Grid, either directly or via interconnected transmission, or distribution facilities or via a Pseudo-Tie; and (c) capable of producing or storing and then delivering net Energy (Energy in excess of a generating station's internal power requirements).

- Generator Interconnection Agreement (GIA)

A pro forma Interconnection Agreement applicable to an Interconnection Request for a Generating Facility processed under the interconnection procedures set forth in Appendices Y, DD, or KK. Includes the Large Generator Interconnection Agreement and the Small Generator Interconnection Agreement.

- Generator Interconnection Study Process Agreement (GISPA)

The pro forma agreement between the CAISO and the Interconnection Customer for conducting Interconnection Studies for a proposed Generating Facility under Appendices Y and DD..

- GIA Deposit

The deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

- Identified Affected System

An Affected System Operator that responds affirmatively to CAISO notification.

- Interconnection Agreement

A contract among a party requesting interconnection, the CAISO, and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.

- Interconnection Facilities Study

A study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), as identified in the Cluster Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the RIS (Appendix KK).

- Interconnection Facilities Study Report

The report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the RIS.

- Interconnection Request

An Interconnection Customer's request, in the form of Appendix 1 to Appendix KK, in accordance with Section 25.1 of the CAISO Tariff.

- Interconnection Study

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

- Interconnection Study Cycle

All requirements, actions, and respective obligations of the CAISO, Participating TO, and Interconnection Customer applicable to an Interconnection Request submitted in the applicable annual Cluster Application Window and including execution by the parties or submission to FERC by one or more parties of a GIA.

- Interconnection Study Deposit

The cash deposit provided to the CAISO by Interconnection Customers as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies.

- Large Generator Interconnection Agreement (LGIA)

The pro forma Interconnection Agreement applicable to an Interconnection Request for a Large Generating Facility.

- Material Modification

A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position.

- Maximum Cost Exposure (MCE)

The sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Interconnection Studies.

- Maximum Cost Responsibility (MCR)

The sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Interconnection Facilities Study, not to exceed the Maximum Cost Exposure.

- Off-Peak Deliverability Assessment

The technical study performed in Interconnection Studies to study if Generating Facilities can provide expected Energy to the CAISO Controlled Grid during modeled off-peak Load conditions without excessive curtailment due to transmission constraints.

- On-Peak Deliverability Assessment

The technical study performed in Interconnection Studies to determine if a Generating Facility or a group of Generating Facilities requesting Full Capacity Deliverability Status or Partial Capacity Deliverability Status can provide Energy to the CAISO Controlled Grid and be delivered to the aggregate of Load on the CAISO Controlled Grid at peak Load, under a variety of modeled stressed conditions.

- Option (A) Generating Facility

A Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of Appendix DD or KK.

- Option (B) Generating Facility

Generating Facilities for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendices DD or KK.

- Pre-Construction Activities

Actions by a Participating TO, other than those required by an Engineering and Procurement Agreement, undertaken prior to Construction Activities in order to prepare for the construction of Participating TO's Interconnection Facilities 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 Participating TO's Interconnection Facilities or Network Upgrades.

- Queue Cluster

A set of Interconnection Requests processed collectively in an Interconnection Study Cycle other than pursuant to the Fast Track Process or the Independent Study Process.

- Queue Position

The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, established pursuant to Section 6.1.3 of the RIS.

- Resource Interconnection Standards (RIS)

Appendix KK to the CAISO Tariff.

- Scoping Meeting

The meeting among representatives of the Interconnection Customer, the applicable Participating TO, and the CAISO conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of the GIDAP, and analyzing such information.

- Site Control

The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

- Small Generator Interconnection Agreement

The pro forma Interconnection Agreement applicable to an Interconnection Request for a Small Generating Facility.

- Withdrawal Penalty

The penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Appendix B.23

[Not Used]

Appendix DD

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3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

The CAISO will not accept new Interconnection Requests pursuant to this GIDAP . New Interconnection Requests must be submitted consistent with the RIS.

* * * * *

7.4.3 Effective with the effective date of the RIS, the CAISO will conduct the annual reassessment under the timelines set forth in the RIS. Any changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

- (i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and \$1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network Upgrades included in the Interconnection Customer's plan of service.

- (ii) If an Interconnection Customer's Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO's system that occurs after the completion of the Interconnection Customer's Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer's estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer's Phase II Interconnection Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Studies. For Interconnection Customers with complete Phase II Interconnection Studies, the CAISO will publish advisory, non-binding updates to those studies in the reassessment, and binding updates in the following Interconnection Facilities Study.

* * * * *

Section 17. Cluster 15 Unique Procedures

Notwithstanding Section 3.3.1, the CAISO will not open a Queue Cluster Application Window in 2024. Except for this Section 17, Cluster 15 will be subject to the RIS and not the GIDAP.

17.1 Study Procedures and Timelines

- a) Consistent with the process set forth in Section 3.5.2, the CAISO will validate Cluster 15 Interconnection Requests between January 1, 2025 and May 1, 2025. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 15. Interconnection Customers in Cluster 15 must submit any element required under Section 3.5.1 of the RIS not previously submitted before May 1, 2025.
- b) Between October 1, 2024 and December 1, 2024, Interconnection Customers may submit any element required under Section 3.5.1 of the RIS not previously submitted. During this time, Interconnection Customers also may modify their Interconnection Requests (a) as permissible under Section 6.7.2.2(a) – (h) of this GIDAP; (b) to change generating technology or fuel; and (c) to add or increase energy storage capacity. The CAISO will not accept any modification under this Section 17.1(b) that would result in increasing the Interconnection Service Capacity requested. Interconnection Customers modifying their Interconnection Requests must submit updated information required under Section 3.5 to reflect the modification. Modifications effected pursuant to this provision will not affect Interconnection Customers' rights to modify their Interconnection Requests after December 1, 2024 under the RIS.
- c) An Interconnection Customer that withdraws its Interconnection Request prior to January 1, 2025 will receive a refund of its Interconnection Study Deposit, including any interest earned, minus any costs expended on the Interconnection Customer's behalf. If an Interconnection Customer submitted a Site Exclusivity Deposit, it will receive a complete refund of its Site Exclusivity Deposit, including any interest earned. Withdrawals effected pursuant to this provision will not affect Interconnection Customers' rights to withdraw after January 1, 2025, and receive any corresponding refund and interest under the RIS.
- d) The CAISO will begin the Cluster 15 Cluster Study on June 1, 2025. With the commencement of the Cluster Study, the CAISO, Participating TOs, and Interconnection Customers will comply with all RIS provisions, schedules, rights, and obligations.

Appendix KK

Resource Interconnection Standards (RIS)

Table of Contents

Section 1 Objectives And Applicability.....	6
1.1 Objectives and Applicability.....	6
1.2 Definitions.....	6
1.3 Pre-Application.....	6
Section 2 Scope and Application.....	7
2.1 Application of Generator Interconnection Procedures.....	7
2.2 Comparability.....	7
2.3 Interconnection Base Case Data.....	8
2.4 Interconnection Service and Studies.....	8
2.4.1 No Applicability to Transmission Service.....	8
2.4.2 The Product.....	8
2.4.3 The Interconnection Studies.....	8
Section 3 Interconnection Requests.....	9
3.1 General.....	9
3.2 Roles and Responsibilities.....	11
3.3 Timing for Submitting Interconnection Requests.....	11
3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster.....	11
3.3.2 Timing for Submitting Interconnection Requests for Fast Track Process.....	11
3.3.3 Timing for Wholesale Distribution Transfers.....	11
3.4 Surplus Interconnection Service.....	12
3.5 Processing of Interconnection Requests.....	13
3.5.1 Initiating an Interconnection Request.....	13
3.5.2 Customer Engagement Window.....	17
3.5.3 Day-for-day Extensions.....	18
3.6 Internet Posting.....	18
3.6.1 Interconnection Studies Statistics.....	19
3.6.2 Retention.....	21
3.6.3 FERC Reporting.....	21
3.7 Coordination with Affected Systems.....	22
3.7.1 Timing for Identification of Identified Affected Systems.....	22
3.8 Withdrawal.....	23
3.8.1 Withdrawal Penalty.....	23
3.8.2 Notification to CAISO and Accounting by Applicable Participating TO(s).....	24
3.9 Transferability of Interconnection Request.....	25
3.10 Emergency Interconnection Process.....	25
3.11 Penalties for Failure to Meet Study Deadlines.....	26
Section 4 [Not Used].....	27
Section 5 Fast Track Process.....	27
5.1 Applicability and Initiation of Fast Track Process Request.....	27
5.2 Initial Review.....	28
5.2.1 Screens.....	28
5.3 [Not Used].....	29
5.4 Customer Options Meeting.....	29
5.5 Supplemental Review.....	30
Section 6 Cluster Study Process.....	32
6.1 Initial Activities Following the Close of the Cluster Application Window.....	32
6.1.1 [Intentionally Omitted].....	32
6.1.2 Scoping Meeting.....	32
6.1.3 Grouping Interconnection Requests.....	33
6.2. Scope and Purpose of Cluster Study.....	34
6.3 Identification of and Cost Allocation for Network Upgrades.....	35
6.3.1 Reliability Network Upgrades (RNUs).....	35
6.3.2 Delivery Network Upgrades.....	36
6.3.3 Interconnection Facilities.....	37
6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities	

	Costs.....	37
6.5	Assigned and Contingent Facilities.....	37
6.6	Cluster Study Procedures.....	38
6.7	Cluster Study Report Meeting.....	38
6.7.1	[Not Used].....	38
6.7.2	Modifications.....	38
6.7.3	[Not Used].....	43
6.7.4	Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue	43
6.7.5	Alignment with Power Purchase Agreements.....	44
6.8	Revisions and Addenda to Final Interconnection Study Reports.....	44
6.8.1	Substantial Error or Omissions; Revised Study Report.....	44
6.8.2	Other Errors or Omissions; Addendum.....	45
6.8.3	Only Substantial Errors or Omissions Adjust Posting Dates.....	45
6.8.4	Substantial Errors or Omissions Allowing Refunds.....	46
Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection Facilities Study.....		
7.1	[Not Used].....	46
7.2	Full/Partial Capacity Deliverability Options for Interconnection Customers.....	46
7.3	[Not Used].....	47
7.4	Reassessment Process.....	47
7.4.1	Cluster Study Restudy.....	47
7.5	Option (B) Customers.....	49
7.6	Application of Withdrawal Penalties and Non-Refundable Amounts.....	50
Section 8 Interconnection Facilities Study and TP Deliverability Allocation Processes.....		
8.1	Interconnection Facilities Study.....	51
8.1.1	Interconnection Facilities Study Agreement.....	51
8.1.2	Scope of the Interconnection Facilities Study.....	52
8.1.3	[Not Used].....	53
8.1.4	[Not Used].....	53
8.1.5	[Not Used].....	53
8.2	[Not Used].....	53
8.3	[Not Used].....	53
8.4	[Not Used].....	53
8.5	Interconnection Facilities Study Procedures.....	53
8.6	Interconnection Facilities Restudy.....	53
8.7	Results Meeting With the CAISO and Applicable PTO(s).....	54
8.8	[Intentionally Omitted].....	54
8.9	Allocation Process for TP Deliverability.....	54
8.9.1	First Component: Representing TP Deliverability Used by Prior Commitments.....	54
8.9.2	Second Component: Allocating TP Deliverability.....	55
8.9.3	Retaining TP Deliverability Allocation.....	59
8.9.4	Parking for Option (A) Generating Facilities.....	59
8.9.5	Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities.....	60
8.9.6	Declining TP Deliverability Allocation.....	61
8.9.7	Interim Deliverability.....	61
8.9.8	Updates to Interconnection Study Results.....	62
8.9.9	Deliverability Transfers.....	62
Section 9 Additional Deliverability Assessment Options.....		
9.1	[Intentionally Omitted].....	62
9.2	[Intentionally Omitted].....	62
9.3	PTO Tariff Option for Full Capacity Deliverability Status.....	62
9.4	Deliverability from Non-Participating TOs.....	63
Section 10 Cost Responsibility for Interconnection Customers.....		
10.1	Interconnection Customers in a Queue Cluster.....	64
10.2	[Not Used].....	64

Section 11 Commercial Readiness Deposit and GIA Deposit.....	64
11.1 Types of Commercial Readiness Deposit and GIA Deposit	64
Section 12 Engineering & Procurement (“E&P”) Agreement.....	65
Section 13 Generator Interconnection Agreement (GIA).....	65
13.1 Tender	65
13.2 Negotiation.....	66
13.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report	66
13.3 Execution and Filing.....	67
13.4 Commencement of Interconnection Activities	67
13.5 Interconnection Customer to Meet PTO Handbook Requirements	67
Section 14 Construction and Neighboring System Impacts	68
14.1 Schedule.....	68
14.2 Construction Sequencing.....	68
14.2.1 General.....	68
14.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer.....	68
14.2.3 Advancing Construction of Network Upgrades that are Part of the CAISO’s Transmission Plan.....	69
14.2.4 Limited Operation Study	69
14.3 Network Upgrades.....	70
14.3.1 Initial Funding	70
14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security	71
14.4 Special Provisions for Affected Systems, Other Affected PTOs	73
14.4.1 Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs	74
14.5 CAISO as an Affected System	74
14.5.1 Applicability	74
14.5.2 Response to Notifications	74
14.5.3 Affected System Queue Position.....	75
14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement	75
14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.....	75
14.5.6 Scope of Affected System Study	76
14.5.7 Affected System Study Procedures	77
14.5.8 Meeting with the CAISO and Participating TO	77
14.5.9 Affected System Cost Allocation.....	77
14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement	77
14.5.11 Restudy	78
Section 15 Miscellaneous.....	78
15.1 Confidentiality	78
15.1.1 Scope.....	78
15.1.2 Release of Confidential Information.....	79
15.1.3 Rights.....	79
15.1.4 No Warranties.....	79
15.1.5 Standard of Care.....	79
15.1.6 Order of Disclosure.....	79
15.1.7 Remedies.....	80
15.1.8 Disclosure to FERC, its Staff, or a State.....	80
15.2 Delegation of Responsibility	81
15.3 [Not Used].....	81
15.4 [Not Used].....	81
15.5 Disputes.....	81
15.5.1 Submission.....	81
15.5.2 External Arbitration Procedures	81

15.5.3	Arbitration Decisions	82
15.5.4	Costs.....	82
15.5.5	Non-binding Alternative Dispute Resolution	82
15.6	Local Furnishing Bonds	83
15.6.1	Participating TOs that Own Facilities Financed by Local Furnishing Bonds	83
15.6.2	Alternative Procedures for Requesting Interconnection Service.....	83
15.7	Change in CAISO Operational Control.....	83
Appendix 1	Interconnection Request INTERCONNECTION REQUEST.....	84
Attachment A	Generating Facility Data GENERATING FACILITY DATA.....	87
Appendix 2	[Intentionally Omitted].....	95
Appendix 3	CLUSTER STUDY AGREEMENT FOR QUEUE CLUSTERS	96
Appendix A	[Not Used].....	101
Appendix B	INTERCONNECTION FACILITIES STUDY AGREEMENT AND.....	102
DATA FORM	TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER PRIOR TO COMMENCEMENT OF THE INTERCONNECTION FACILITIES STUDY.....	102
Appendix 4	AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS.....	106
ATTACHMENT A	INTERCONNECTION STUDY RESPONSIBILITY ALLOCATION	112
ATTACHMENT B	CONTACTS FOR NOTICES.....	114
Appendix 5	Schedule for Release and Review of Per Unit Costs	115
Appendix 6	[Intentionally Omitted].....	116
Appendix 7	Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter- Based Small Generating Facility No Larger than 10 kW (“10 kW Inverter Process”).....	117
Appendix 8	[intentionally omitted].....	125
Appendix 9	Certification Codes and Standards	126
Appendix 10	Certification of Small Generator Equipment Packages	127
APPENDIX 11	.....	128
Attachment A to Appendix 11	.....	130
APPENDIX 12	.....	131
Attachment A to Appendix 12	.....	133
APPENDIX 13	.....	134
Attachment A to Appendix 13	.....	148
Attachment B to Appendix 13	.....	150
Attachment C to Appendix 13	.....	151
APPENDIX 14 TO RIS	.....	152
Attachment A to Appendix 14	.....	167
Attachment B to Appendix 14	.....	169
Attachment C to Appendix 14	.....	170

Section 1 Objectives And Applicability

1.1 Objectives and Applicability

The objective of these Resource Interconnection Standards (RIS) is to implement the requirements for both Small and Large Generating Facility interconnections to the CAISO Controlled Grid and to provide a process for allocating Transmission Plan Deliverability for Interconnection Requests starting with Queue Cluster 15 and for subsequent Queue Clusters. This RIS applies to Interconnection Requests that are either assigned to Queue Cluster 15 and subsequent Queue Clusters, or submitted for the Fast Track Process after the RIS is effective. The exception to this rule of limited applicability is the annual reassessment process set forth in Section 7.4, which will apply to all CAISO Interconnection Customers in Queue Clusters.

1.2 Definitions

Unless the context otherwise requires, any word or expression defined in the Master Definitions Supplement, Appendix A to the CAISO Tariff, will have the same meaning where used in this RIS. References to the RIS are to this Appendix KK.

1.3 Pre-Application

1.3.1 An Interconnection Customer with a proposed Small Generating Facility may submit a formal written request form along with a non-refundable fee of \$300 to the CAISO for a pre-application report on a proposed project at a specific site. The CAISO shall provide the pre-application data described in Section 1.3.2 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The CAISO shall coordinate with the Participating TO to complete the pre-application report. At the request of the CAISO, the Participating TO shall provide any readily available information necessary to complete the pre-application report. Readily available information shall mean information that the Participating TO currently has on hand. The Participating TO is not required to create new information but is required to compile, gather, and summarize information that it has on hand in a format that presents the information in a manner that informs the Interconnection Customer regarding issues related to its proposed Small Generating Facility. If providing any item in the pre-application report would require the Participating TO to perform a study or analysis beyond gathering and presenting existing information, then the information shall be deemed not readily available. The pre-application report produced by the CAISO is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the CAISO's system. The written pre-application report request form shall include the information in Sections 1.3.1.1 through 1.3.1.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection that is under CAISO operational control.

1.3.1.1 Project contact information, including name, address, phone number, and email address.

1.3.1.2 Project location (street address with nearby cross streets and town).

1.3.1.3 Single proposed Point of Interconnection that is either an existing substation or a transmission line under CAISO operational control.

1.3.1.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.3.1.5 Size (alternating current kW/MW)

1.3.1.6 Single or three phase generator configuration

1.3.1.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.3.1.8 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/MW (if available) and specify if the load is expected to change.

1.3.2 Subject to Section 1.3.1, the pre-application report will include the following information:

1.3.2.1 Electrical configuration of the substation, including information of transmission lines terminating in the substation, transformers, buses and other devices, if the proposed Point of Interconnection is a substation.

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

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

1.3.2.4 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit issues, instability issues, facility loading issues, or voltage issues.

1.3.2.5 Available capacity on a substation or circuit likely to serve the proposed Point of Interconnection.

1.3.3 The pre-application report need only include existing data. A pre-application report request does not obligate the CAISO to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the CAISO cannot complete all or some of a pre-application report due to lack of available data, the CAISO shall provide the Interconnection Customer with a pre-application report that includes the data that is available. 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 section, the CAISO shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

Section 2 Scope and Application

2.1 Application of Generator Interconnection Procedures

This RIS applies to processing an Interconnection Request pertaining to a Generating Facility that is either: (i) assigned to Queue Clusters 15 and subsequent Queue Clusters, or (ii) included in the Fast Track Process, after the RIS is effective.

2.2 Comparability

The CAISO shall receive, process, and analyze Interconnection Requests in a timely manner as set forth in this RIS. The CAISO will process and analyze Interconnection Requests from all Interconnection Customers as set forth in this RIS, regardless of whether the Generating Facilities are owned by a Participating TO, its subsidiaries, or Affiliates or others.

2.3 Interconnection Base Case Data

For each Interconnection Study Cycle, the CAISO, in coordination with applicable Participating TO(s), shall maintain updated Interconnection Base Case Data, including, as applicable, separate Interconnection Base Case Data for each Cluster Study to reflect system conditions particular to the Cluster Study, to a secured section of the CAISO Website. Interconnection Base Case Data will represent the network model and underlying assumptions used during the most recent Interconnection Study and represent system conditions in the near term planning horizon. The CAISO will update and publish the Interconnection Base Case Data prior to the Cluster Study, after the Cluster Study, before the annual reassessment, and after the annual reassessment to reflect new and withdrawn Interconnection Requests and resulting changes to identified transmission upgrades as applicable.

Interconnection Base Case Data shall include information subject to the confidentiality provisions in Section 15.1.

The CAISO shall require current and former Interconnection Customers, Market Participants, and electric utility regulatory agencies within California to sign a CAISO confidentiality agreement and, where the current or former Interconnection Customer or Market Participant is not a member of WECC, or its successor, an appropriate form of agreement with WECC, or its successor, as necessary. All other entities or persons seeking Interconnection Base Case Data must satisfy the foregoing requirements as well as all requirements under 18 C.F.R. Section 388.113 for obtaining the release of Critical Energy Infrastructure Information (as that term is defined by FERC). The CAISO will maintain a link on OASIS to the secured section of the CAISO website with the Interconnection Base Case Data.

2.4 Interconnection Service and Studies

2.4.1 No Applicability to Transmission Service.

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

2.4.2 The Product.

Interconnection Service allows the Interconnection Customer to connect the Generating Facility to the CAISO Controlled Grid and be eligible to deliver the Generating Facility's output using the available capacity of the CAISO Controlled Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or point of delivery or rights to any specific MW of available capacity on the CAISO Controlled Grid.

2.4.3 The Interconnection Studies.

For Interconnection Requests in Queue Cluster 15 and subsequent Queue Clusters, the Interconnection Studies consist of a Cluster Study, an annual reassessment, and an Interconnection Facilities Study, and any updates to reflect the results of a reassessment conducted after the TP Deliverability allocation process for the Queue Cluster.

2.4.3.1 The Cluster Studies

The Cluster Studies for Queue Cluster Generating Facilities will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The Cluster Studies will identify direct Interconnection

Facilities and required Reliability Network Upgrades necessary to interconnect the Generating Facility, mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service. The stability and steady state studies will identify necessary upgrades to allow full output of the proposed Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Generating Facility without requiring additional Network Upgrades. The Cluster Studies will also identify LDNUs that have selected Full Capacity, Partial and Capacity Deliverability Status, as applicable. Such Network Upgrades shall be identified in accordance with the Deliverability Assessments set forth in Section 6.3.2. The Cluster Studies will also provide cost estimates for ADNUs, as described in Section 6.3.2. The Cluster Study report shall include cost estimates for RNUs, LDNUs, and ADNUs.

2.4.3.2 The Reassessment

Before each Cluster Study, the CAISO will conduct a reassessment, as specified in Section 7.4, to conform the Base Case and Interconnection Base Case Data to account for later conditions since the CAISO performed the Cluster Study in the prior Interconnection Study Cycle.

2.4.3.3 The Interconnection Facilities Study

After the Cluster Study, the CAISO and Participating TO will conduct the Interconnection Facilities Study to determine a list of facilities (including the Participating TO's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of this RIS.

2.4.3.4 Update Following TP Deliverability Allocation Process

Following the completion of Interconnection Facilities Studies for the Queue Cluster and provision by the CAISO of the results to Interconnection Customers in the Queue Cluster, the CAISO will perform the allocation of TP Deliverability to eligible Generating Facilities in accordance with Section 8.9. Based on the results of the allocation process and the responses to those results as reported by affected Interconnection Customers to the CAISO, the CAISO will provide updates where needed to the Interconnection Study reports of affected Interconnection Customers.

Section 3 Interconnection Requests

3.1 General

Pursuant to CAISO Tariff Section 25.1, a duly authorized officer or agent of the Interconnection Customer will submit to the CAISO (1) an Interconnection Request consistent with Appendix 1 to this RIS, including (2) an executed Cluster Study Agreement consistent with Appendix 3 to this RIS. All forms may be submitted electronically as provided on the CAISO Website. Interconnection customers will submit Appendix B to the Cluster Study Agreement, the Interconnection Facilities Study Agreement, pursuant to Section 8 of this RIS. The CAISO will

forward a copy of the Interconnection Request to the applicable Participating TO within five (5) Business Days of receipt.

The Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Units share a site, the Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At the Interconnection Customer's option, the CAISO, Participating TO, and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. The Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the end of the Customer Engagement Window. For purposes of clustering Interconnection Requests, the CAISO and Participating TO may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. The CAISO will notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection will only change upon mutual agreement.

Interconnection Customers may request Interconnection Service Capacity below the Generating Facility Capacity. The CAISO will study these requests for Interconnection Service at the level of Interconnection Service Capacity requested for purposes of Interconnection Studies, Network Upgrades, and associated costs. If the Generating Facility Capacity requires additional Network Upgrades beyond the Interconnection Service Capacity, the CAISO will provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade cost required for safety and reliability will be assigned to the Interconnection Customer and eligible for reimbursement consistent with the treatment of Interconnection Facilities and Network Upgrade provided in this RIS. Interconnection Customers may be subject to additional control technologies, as well as testing and validation of those technologies consistent with Article 6 of the GIA and Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed, or requested to be filed unexecuted, GIA.

The CAISO will study Generating Units that include at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If the CAISO and Participating TO find the Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, they must provide the Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) calendar days before the end of the Customer Engagement Window and allow the Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) calendar days prior to the end of the Customer Engagement Window. The CAISO and Participating TO will study these requests for Interconnection Service, with the study costs borne by the Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. The Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems will be set forth in Appendix C of the

Interconnection Customer's LGIA.

3.2 Roles and Responsibilities

- (a) Each Interconnection Request will be subject to the direction and oversight of the CAISO. The CAISO will conduct or cause to be performed the required Interconnection Studies and any additional studies the CAISO determines to be reasonably necessary, and will direct the applicable Participating TO to perform portions of studies where the Participating TO has specific and non-transferable expertise or data and can conduct the studies more efficiently and cost effectively than the CAISO. The CAISO will coordinate with Affected System Operators in accordance with Section 3.7.
- (b) The CAISO will complete or cause to be completed all studies as required within the timelines provided in this. Any portion of the studies performed at the direction of the CAISO by the Participating TOs or by a third party shall also be completed within timelines provided in this RIS.
- (c) The CAISO has established a pro forma Roles and Responsibilities Agreement, attached hereto as Appendix 4 and incorporated herein by reference, for execution by the CAISO and the applicable Participating TOs.
- (d) Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the CAISO determines to be reasonably necessary in response to the Interconnection Request. The CAISO shall reimburse the Participating TO for the actual cost of any portion of all Interconnection Studies that such Participating TO performs at the direction of the CAISO.

3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

Except for Interconnection Customers requesting processing under the Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window.

The CAISO will accept Interconnection Requests during a fifteen (15) day period (the Cluster Application Window). Beginning in 2026, the initial Cluster Application Window for Interconnection Requests will open annually on October 1 and close on October 15. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day.

3.3.2 Timing for Submitting Interconnection Requests for Fast Track Process

Interconnection Customers may submit Interconnection Requests for processing under the Fast Track Process at any time during the year.

3.3.3 Timing for Wholesale Distribution Transfers

After the Cluster Application Window, the CAISO will accept Interconnection Requests from Utility Distribution Companies that accepted interconnection requests for wholesale participation the Interconnection Customer reasonably believed were to the distribution grid based on available information, but should have been to the CAISO Controlled Grid. The CAISO will only accept those Interconnection Requests it can include in the Cluster Study without delaying that Queue Cluster. The CAISO will not accept any Interconnection Request transfers after the commencement of the Cluster Study.

After the Utility Distribution Company has transferred the Interconnection Request to the CAISO, the CAISO will notify the Interconnection Customer whether it can be included in the Cluster Study and request any data still required under Section 3.5.1.

3.4 Surplus Interconnection Service

The CAISO will allow an Interconnection Customer to utilize or transfer Surplus Interconnection Service once the Interconnection Customer has executed the GIA or requested that the GIA be filed unexecuted. The Interconnection Customer will notify the CAISO that it has transferred its Surplus Interconnection Service to another entity. The total Interconnection Service Capacity of the original Interconnection Customer and the assignee of the Surplus Interconnection Capacity may not exceed the original Interconnection Customer's constructed Generating Facility Capacity, regardless of the Interconnection Service Capacity it requested in its Interconnection Request or memorialized in its GIA. The Generating Facility of the assignee must interconnect at the same Point of Interconnection as the original Interconnection Customer. The CAISO and Participating TO will study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

If the assignee's Generating Facility would not require a new Interconnection Request pursuant to Section 25.1.1 of the CAISO Tariff, the original Interconnection Customer may transfer Surplus Interconnection Service, and the CAISO will study the transfer, as a modification under Section 6.7.2. Otherwise, the assignee of the Surplus Interconnection Service will submit an Interconnection Request pursuant to Section 3.3 of this RIS. The Cluster Study process will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Reimbursement for additional Reliability Network Upgrades will be capped pursuant to Section 14.3.2 of this RIS. The CAISO will use the constructed Generating Facility Capacity of the original Interconnection Customer for the MW value of the RNU reimbursement cap, and will subtract the costs of the original Interconnection Customer's Reliability Network Upgrades to determine any remaining eligible reimbursement under the cap for the assignee's Reliability Network Upgrades, if any.

Notwithstanding any other provision in this RIS, if the original Interconnection Customer has Full or Partial Capacity Deliverability Status, it will notify the CAISO whether its transfer of Surplus Interconnection Service includes any Deliverability currently associated with the constructed Generating Facility capacity. The transfer amount of Deliverability may not exceed the transfer amount of Surplus Interconnection Service. The transfer amount of Surplus Interconnection Service will not operate as a basis to increase the Net Qualifying Capacity of the Generating Facility (including the expansion) that pre-existed the transfer. In all cases, the original Generating Facility and the behind-the-meter capacity expansion will be metered separately from one another and be assigned separate Resource IDs. If the original Interconnection Customer's Generating Facility permanently retires, or ceases operation for three (3) years without having begun active construction of a repowered Generating Facility, both the original Interconnection Customer and the assignee of the Surplus Interconnection Service will be converted to Energy Only. At any point, the assignee may seek its own TP Deliverability allocation pursuant to Section 8.9 of this RIS. If the assignee receives its own TP Deliverability allocation, it will exist completely independent of the original Interconnection Customer and will not be converted to Energy Only due to the retirement or inoperability of the original Interconnection Customer, notwithstanding any other provision herein.

The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend the original Interconnection Customer's GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA.

3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Queue Cluster will submit its Interconnection Request to the CAISO within, and no later than the close of, the Cluster Application Window. Interconnection Requests submitted outside of the Cluster Application Window will not be considered. To initiate an Interconnection Request except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window:

- (i) Applicable Interconnection Study Deposit amount, pursuant to Section 3.5.1.1 of this RIS.
- (ii) A completed application in the form of Appendix 1, including requested Deliverability statuses, requested study process (either Queue Cluster or Fast Track Study Process), preferred Point of Interconnection and voltage level, and all other required technical data, including all data requested in Attachment A to Appendix 1 in Excel format.
- (iii) Demonstration of no less than ninety percent (90%) Site Control; or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as defined in the Business Practice Manuals; (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which the Interconnection Customer expects to satisfy the regulatory requirements; and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use.
- (iv) A load flow model.
- (v) A dynamic data file.
- (vi) A reactive power capability document.
- (vii) A site drawing.
- (viii) A single-line diagram.
- (ix) A flat run plot and a bump test plot from the positive sequence transient stability simulation application.
- (x) A plot showing the requested MW at the Point of Interconnection from the positive sequence load flow application.
- (xi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.5.1.1 of this RIS in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to the CAISO under Section 11.1 of this RIS. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.8 of this RIS.

- (xii) If applicable, (a) the requested operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by the Interconnection Customer.

The CAISO requires the foregoing information to be complete and specific to the Interconnection Request. The CAISO will first determine whether a submitted Interconnection Request is complete. The CAISO will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received by the CAISO. Consistent with Section 3.5.3, the CAISO will review each Interconnection Request and notify the Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Any Interconnection Customer that has not submitted a complete Interconnection Request by October 15 (or the next Business Day if October 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 3.5.2 of this RIS or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by October 15 (or the next Business Day if October 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

3.5.1.1 Interconnection Study Deposit.

The Interconnection Customer will submit to the CAISO, during a Cluster Application Window, an Interconnection Request in the form of Appendix 1 to this RIS, a non-refundable application fee of \$5,000, and a refundable study deposit:

- a. \$35,000 plus \$1,000 per MW for Interconnection Requests < 80 MW; or
- b. \$150,000 for Interconnection Requests \geq 80 MW < 200 MW; or
- c. \$250,000 for Interconnection Requests \geq 200 MW.

The CAISO will apply the study deposit toward the cost of the Cluster Study Process.

The CAISO shall deposit all Interconnection Study Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the CAISO, the Participating TOs, or third parties at the direction of the CAISO or Participating TOs, as applicable, to perform and administer the Interconnection Studies and to meet and otherwise communicate with Interconnection Customers with respect to their Interconnection Requests.

3.5.1.2 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request

prior to the commencement of the Cluster Study, Interconnection Customer must pay the CAISO the actual costs of processing its Interconnection Request.

In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. The costs of any Interconnection Study conducted on a clustered basis will be allocated among each Interconnection Customer within the Cluster as follows:

Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a per capita basis.

Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a pro rata basis.

Following offsets from Withdrawal Penalties assessed pursuant to Section 7.6, the actual costs of each reassessment, as set forth in Section 7.4, will be allocated among each Interconnection Customer in the same manner as above.

Any difference between the study deposit and the actual cost of the Interconnection Studies will be paid by or refunded, except as otherwise provided herein, to Interconnection Customers. Any invoices for Interconnection Studies will include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers will pay any such undisputed costs within thirty (30) days of receipt of an invoice therefor. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request will be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.8 of this RIS.

The Participating TO and any third parties performing work on the Interconnection Customer's behalf shall invoice the CAISO for such work, and the CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the Study Deposit any undisputed costs within thirty (30) calendar days of issuance of an invoice. 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 CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study, or portions thereof, is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study or portions thereof.

3.5.1.3 Site Control and Site Control Deposit.

Interconnection Customer shall promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. If the CAISO determines, based on the Interconnection Customer's information, that the Interconnection Customer no longer satisfies the Site Control requirement, the CAISO shall give the Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to the CAISO's approval. Absent such, the CAISO shall deem the Interconnection Request withdrawn pursuant to

Section 3.8 of this RIS.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before the end of the Customer Engagement Window. Such deposit will be held by the CAISO until the Interconnection Customer provides the required Site Control demonstration for its point in the Cluster Study Process. An Interconnection Customer facing qualifying regulatory limitations must demonstrate one-hundred percent (100%) Site Control within one hundred eighty (180) days of the effective date of the GIA.

The CAISO shall deposit all Site Control Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site Control Deposit and all interest shall be refundable to the Interconnection Customer at any time upon demonstration of Site Control.

3.5.1.4 Proposed Commercial Operation Date.

In the initial Interconnection Request, the proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, 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 (7) year period. The CAISO'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 Section 8.9.3 for retention of TP Deliverability.

Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request will be used to calculate the permissible extension prior to Interconnection Customer executing a GIA or requesting that the GIA be filed unexecuted. After a GIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the GIA will be used to calculate the permissible extension. Such cumulative extensions may not exceed three (3) years including both extensions requested after execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO and those requested prior to execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO.

3.5.1.5 Third-party Interconnection Facilities.

Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities to be deemed valid pursuant to Section 3.5.2. Within twenty (20) days after the Cluster Study Report Meeting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

3.5.2 Customer Engagement Window.

Upon the close of each Cluster Application Window, the CAISO will open a ninety (90) calendar day period (Customer Engagement Window). During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, the CAISO may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, the CAISO will post on its Website a list of Interconnection Requests for that Cluster. The list will identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the Deliverability Status requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The CAISO must ensure that project information is anonymized and does not reveal the identity or commercial information of interconnection customers with submitted requests. During the Customer Engagement Window, the CAISO will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study. Interconnection Customers can access and execute the Cluster Study Agreement through the CAISO Website. Interconnection Customers must execute the Cluster Study Agreement prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 3 to this RIS will be included in the Cluster Study. Any Interconnection Requests not deemed valid at the close of the Customer Engagement Window will be deemed withdrawn (without the cure period provided under Section 3.8 of this RIS by the CAISO, the application fee will be forfeited to the CAISO, and the CAISO will return the Interconnection Study Deposit and Commercial Readiness Deposit to the Interconnection Customer. Immediately following the Customer Engagement Window, the CAISO will initiate the Cluster Study described in Section 6 of this RIS.

For each Interconnection Request that is deemed complete pursuant to Section 3.5.1, the CAISO and Participating TO will determine whether the Interconnection Request is valid. An Interconnection Request will be deemed valid if it does not contain deficiencies that would prevent its inclusion in the Cluster Study. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files.

The Interconnection Customer will provide the CAISO the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the end of the Customer Engagement Window. At any time, if the CAISO finds that the technical data provided by Interconnection Customer is incomplete or contains errors, the Interconnection Customer, Participating TO, and the CAISO will work expeditiously and in good faith to remedy such issues. In the event that the Interconnection Customer fails to comply with this Section, the CAISO will deem the Interconnection Request withdrawn (without the cure period provided under Section 3.8 of this RIS, the application fee is forfeited to the CAISO, and the Interconnection Study and Commercial Readiness Deposit will be returned to Interconnection Customer.

3.5.2.1 Validation Process.

The CAISO and Participating TO will notify the Interconnection Customer whether its Interconnection Request is valid or contains deficiencies within ten (10) Business Days of October 15 or when the Interconnection Request is deemed complete, whichever is later. All Interconnection Requests must be

deemed valid by the end of the Customer Engagement Window to be included in that year's Queue Cluster.

3.5.2.2 Deficiencies in Interconnection Request.

If an Interconnection Request has deficiencies, the CAISO shall include in its notification to the Interconnection Customer that the Interconnection Request does not constitute a valid request and explain the deficiencies. The Interconnection Customer shall provide the CAISO the corrected requested information needed to constitute a valid request. Consistent with Section 3.5, whenever corrected requested information is provided by the Interconnection Customer, the CAISO shall notify the Interconnection Customer within five (5) Business Days of receipt of the corrected requested information whether the Interconnection Request is valid. If the Interconnection Request continues to provide deficient information, the CAISO shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request is not deemed valid, the Interconnection Customer must cure all deficiencies no later than the close of the Customer Engagement Window. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in an Interconnection Study Cycle or otherwise studied.

Interconnection Requests deemed invalid under this Section 3.5.2.2 are not subject to Section 3.8. Interconnection Customers with invalid Interconnection Request under this Section 3.5.2.2 may seek relief under Section 15.5 by so notifying the CAISO within two (2) Business Days of the notice of invalidity.

3.5.3 Day-for-day Extensions

To the extent the CAISO and Participating TO cannot meet any deadline in this Section 3.5.2, the Interconnection Customer will receive a day-for-day extension on all remaining deadlines requiring its response.

3.6 Internet Posting

The CAISO will maintain on the CAISO 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 projected Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; (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); (ix) requested Deliverability statuses, and (x) project name.

Except in the case of an Affiliate, the list will not disclose the identity of the Interconnection Customer until the Interconnection Customer executes a GIA or requests that the applicable Participating TO(s) and the CAISO file an unexecuted GIA with FERC. The CAISO shall post on the CAISO Website an advance notice whenever a Scoping Meeting will be held with an Affiliate of a Participating TO.

The CAISO shall maintain on the CAISO Website: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each Point of Interconnection in the CAISO's footprint under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the CAISO's transmission system based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular Point of Interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the

distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; and (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the transmission system with the transfer simulated from each Point of Interconnection to the whole CAISO footprint, and with the incremental capacity at each Point of Interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested Interconnection Service limit of the generation). These metrics will be updated within thirty (30) days after the completion of each Cluster Study and Cluster Restudy. This information will be publicly posted, without a password or a fee on the CAISO Website. The CAISO Website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

The CAISO shall post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO shall further post to the secure CAISO Website portions of the Cluster Study that do not contain customer-specific information following the final Results Meeting and portions of the Interconnection Facilities Study that do not contain customer-specific information no later than publication of the final Transmission Plan under CAISO Tariff Section 24.2.5.2 (such posted information to be placed on the secure CAISO Website to protect any Critical Energy Infrastructure Information contained therein). The CAISO shall post to the secure CAISO Website any documents or other materials posted pursuant to this or a Business Practice Manual that contain Critical Energy Infrastructure Information.

3.6.1 Interconnection Studies Statistics

The CAISO will maintain on its Website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. The CAISO will maintain a link on OASIS to the CAISO Website with the interconnection statistics. These statistics will include:

3.6.1.1 Cluster Studies

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Studies completed during the reporting quarter;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Studies completed beyond the one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than one hundred fifty (150) days before the reporting quarter end;
- (D) The mean time (in days) of Cluster Studies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.4.1 of this RIS to the date the CAISO provided the completed Cluster Study Report to the Interconnection Customer;
- (E) Mean time (in days), Cluster Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Study Report to the Interconnection Customer;

- (F) The percentage of Cluster Studies exceeding the one hundred fifty (150) days to complete this reporting quarter, calculated as the sum of Section 3.6.1.1(B) plus Section 3.6.1.1(C), divided by the sum of Section 3.6.1.1(A) plus Section 3.6.1.1(C).

3.6.1.2 Cluster Restudies

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed beyond the one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete Cluster Restudies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than one hundred fifty (150) days before the reporting quarter end;
- (D) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.4.1 of this RIS to the date the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer;
- (E) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer;
- (F) The percentage of Cluster Restudies exceeding the one hundred fifty (150) days to complete this reporting quarter, calculated as the sum of Section 3.6.1.2(B) plus Section 3.6.1.2(C), divided by the sum of Section 3.6.1.2(A) plus Section 3.6.1.2(C).

3.6.1.3 Interconnection Facilities Studies Processing Time

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had Interconnection Facilities Studies completed;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had Interconnection Facilities Studies completed beyond the one hundred twenty (120) days planned for the Interconnection Facilities Study pursuant to Section 8.5 of this RIS;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies that have exceeded the one hundred twenty (120) days planned for the Interconnection Study pursuant to Section 8.5 of this RIS;
- (D) The mean time (in days) of Interconnection Facilities Studies completed from the date when the CAISO began the annual Interconnection Facilities Study pursuant to Section 8.5 of this RIS to the date the CAISO provided the completed

Interconnection Facilities Study to the Interconnection Customer;

- (E) The mean time (in days) of Interconnection Facilities Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Interconnection Facilities Study to Interconnection Customer;
- (F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.6.1.3(B) plus Section 3.6.1.3(C) divided by the sum of Section 3.6.1.3(A) plus Section 3.6.1.3(C) of this RIS.

3.6.1.4 Interconnection Requests Withdrawn

- (A) The number of Interconnection Requests withdrawn;
- (B) The number of Interconnection Requests withdrawn before completion of any Interconnection Studies;
- (C) The number of Interconnection Requests withdrawn before completion of their Interconnection Facilities Study;
- (D) The number of Interconnection Requests withdrawn after completion of an Interconnection Facilities Study but before execution of a GIA or before the Interconnection Customer requests filing an unexecuted, new GIA;
- (E) Number of Interconnection Requests withdrawn from the CAISO's interconnection queue after completion of an Interconnection Facilities Study but before execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;
- (F) Number of Interconnection Requests withdrawn from the CAISO's queue after execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;
- (G) Mean time (in days), for all withdrawals, from the date when the request was determined to be valid to when the CAISO received the request to withdraw from the queue.

3.6.2 Retention

The CAISO will keep the quarterly interconnection studies statistics on the CAISO Website for three (3) calendar years.

3.6.3 FERC Reporting

In the event that any of the percentages calculated in any subparagraph E of Section 3.6.1.1 and 3.6.1.2 exceeds twenty five (25) percent for two (2) consecutive quarters, the CAISO will, for the next four (4) quarters and until those percentages fall below twenty five (25) percent for two (2) consecutive quarters:

- (i) submit a report to FERC describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline for completion. The CAISO will describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The CAISO will file the report with FERC within forty five (45) days of the end of

the calendar quarter.

- (ii) aggregate and publish on the CAISO Website the total number of employee-hours and third party consultant hours expended towards its Interconnection Studies. The CAISO will publish these figures within thirty (30) days of the end of the calendar quarter.

3.7 Coordination with Affected Systems

Pursuant to Section 3.7.1, the CAISO will notify the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Cluster Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this RIS. The CAISO will include Affected System Operators in all meetings held with the Interconnection Customer as required by this RIS.

The Interconnection Customer will cooperate with the CAISO and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO's identification of Interconnection Customer's name, Generating Facility project name, and release of information that the Interconnection Customer provided as part of its Interconnection Request to the Affected System, and participating in any coordinating activities and communications undertaken by the Affected System or CAISO. If required by an Identified Affected System, the Interconnection Customer will sign separate study agreements with the Identified Affected System and pay for necessary studies. Identified Affected Systems will cooperate with the CAISO in all matters related to the Identified Affected System Operators' determination of modifications to Identified Affected Systems.

3.7.1 Timing for Identification of Identified Affected Systems

The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Cluster Study within ten (10) Business Days after determining which projects in each study cluster have posted their additional Commercial Readiness Deposit to bring the total to five percent (5%) of the Interconnection Customer's Network Upgrade cost, pursuant to Section 7.4 of this RIS.

The CAISO may later notify Affected Systems if (i) the CAISO failed to identify the Affected System initially; (ii) the Interconnection Customer modifies its project such that an electric system becomes a potentially Affected System; or (iii) the Interconnection Customer converts from a Wholesale Distribution Access Tariff to the CAISO Tariff and the same Affected Systems were not notified previously or the conversion was due to a system change. In such cases, the CAISO will coordinate with the Interconnection Customer and the potentially Affected System Operator to develop an expedited timeline to determine whether the Affected System is an Identified Affected System. The CAISO will then notify the Interconnection Customer as soon as practical of the new Identified Affected System.

Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an Identified Affected System; or (ii) the electric system should not be considered an Identified Affected System. If the Affected System Operator fails to advise the CAISO within (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System.

If an electric system operator advises the CAISO that it is an Identified Affected System after the 60-day notification period, the CAISO will not delay the synchronization or Commercial Operation of the Generating Facility for mitigation required by the Affected System unless the Affected System identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues are present, the CAISO will work with the Affected System and the Interconnection Customer to establish temporary mitigations, if possible, for the identified reliability issue. An Affected System's mitigation remedies that may be available outside the CAISO Tariff are unaffected by these provisions.

3.8 Withdrawal

The Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to the CAISO, and the CAISO will notify the applicable Participating TO(s) and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the CAISO of a valid Interconnection Request under Section 3.5.2, if the Interconnection Customer fails to adhere to all requirements of this RIS, except as provided in Section 15.5 (Disputes), the CAISO shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Interconnection Customer within five (5) Business Days of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Interconnection Customer shall have five (5) Business Days in which to respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the CAISO of its intent to pursue Dispute Resolution.

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

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by the CAISO under Section 3.8 of this RIS, the CAISO will (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.8.1 of this RIS; and (iii) refund to the Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that the CAISO has incurred, including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations. The CAISO will also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control.

In the event of such withdrawal, the CAISO, subject to the provisions of Sections 15.1 and 3.5.1.1, shall provide, at the Interconnection Customer's request, all information that the CAISO developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8.1 Withdrawal Penalty

The Interconnection Customer will be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study

Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.8.1.1 Calculation of the Withdrawal Penalty

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer will not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) the Interconnection Customer's study deposit required under Section 3.5.1.1 of this RIS; or (2) as follows in (a)–(d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer will be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.4 of this RIS, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer will be charged five percent (5%) of its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.5 of this RIS, or after receipt of the draft GIA but before Interconnection Customer has executed a GIA or has requested that its GIA be filed unexecuted, and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer will be charged ten percent (10%) of its estimated Network Upgrade costs.
- (d) If Interconnection Customer has executed a GIA or has requested that its GIA be filed unexecuted and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty will be twenty percent (20%) of its estimated Network Upgrade costs.

3.8.2 Notification to CAISO and Accounting by Applicable Participating TO(s).

The applicable Participating TO(s) shall notify the CAISO within one (1) Business Day of liquidating any deposit. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) shall provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated deposit and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this Section.

All Withdrawal Penalties remitted to the CAISO in accordance with this Section, and funds that are received by the CAISO from a Participating TO pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.

3.9 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.

3.10 Emergency Interconnection Process

The CAISO and Participating TO(s) may conduct expedited studies to approve emergency interconnections when all of the following conditions are satisfied:

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis;
- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;
- (c) The interconnection would not have a negative impact on the cost or timing of any existing Interconnection Request unless the impacted Interconnection Request belongs to the same developer and the developer consents to the impact;
- (d) The interconnection does not require Network Upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this RIS;
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;
- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The Interconnection Customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this RIS and supplanting the emergency GIA or amendment;
- (g) The emergency interconnection will be ineligible for Delivery Network Upgrades or TP Deliverability except Interim Deliverability consistent with Section 4.6 of this RIS, or until it can obtain TP Deliverability by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this RIS;
- (h) The emergency interconnection will not impact Affected Systems; and
- (i) The expedited studies confirm the interconnection may mitigate the emergency.

The Interconnection Customer will provide the CAISO a \$50,000 deposit and all necessary technical information to assess the interconnection. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the assessment. If the actual costs of the assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the

balance. If the actual costs of the assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the assessment with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO and Participating TO(s) will conduct all necessary studies, publish study results, and tender a draft GIA or amendment to the Interconnection Customer.

Notwithstanding any other provision, all refunds pursuant to this section will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

3.11 Penalties for Failure to Meet Study Deadlines

(1) The interconnecting Participating TO will be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this RIS. The Participating TO must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a *pro rata* basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from the CAISO's interconnection queue before the missed study deadline. The Participating TO must pay the penalty for a late Affected Systems Study on a *pro rata* basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline. The study delay penalty for each late study will be distributed no later than forty-five (45) calendar days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of the Cluster Restudy beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this RIS; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this RIS. The total amount of a penalty assessed under this Section will not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that the CAISO collects for conducting the Affected System Study.

(3) The Participating TO may appeal to FERC any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) calendar days after the late study has been completed. While an appeal to FERC is pending, the Participating TO will remain liable for the penalty, but need not distribute the penalty until forty-five (45) calendar days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of FERC's decision on the appeal are no longer pending before FERC. FERC may excuse the Participating TO from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the Participating TO misses the applicable study deadline.

(5) If (a) the CAISO and Participating TO need to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study will be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for the Participating TO missing the original deadline.

(6) No penalties will be assessed until the third Cluster Study cycle after the FERC-approved effective date of the CAISO's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) The CAISO must maintain on its Website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, the CAISO must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. The CAISO must post on its Website these penalty amounts for each calendar quarter within thirty (30) calendar days of the end of the calendar quarter. The CAISO must maintain the quarterly measures posted on its Website for three (3) calendar years with the first required posting to be the third Cluster Study cycle under paragraph (6). Each Participating TO will notify the CAISO of its penalties to enable the CAISO to comply with this paragraph (7).

Section 4 [Not Used]

Section 5 Fast Track Process

5.1 Applicability and Initiation of Fast Track Process Request

Applicability to a proposed Generating Facility. An Interconnection Customer may request interconnection of a proposed Generating Facility to the CAISO Controlled Grid under the Fast Track Process if the Generating Facility is no larger than 5 MW and is requesting Energy-Only Deliverability Status and if the Interconnection Customer's proposed Generating Facility meets the codes, standards, and certification requirements of Appendices 9 and 10 of this RIS, or if the applicable Participating TO notifies the CAISO that it has reviewed the design for or tested the proposed Small Generating Facility and has determined that the proposed Generating Facility may interconnect consistent with Reliability Criteria and Good Utility Practice.

Applicability to an existing Generating Facility. If the Interconnection of an existing Generating Facility meets the qualifications for Interconnection under CAISO Tariff Section 25.1(d) or (e) but, at the same time, the Interconnection Customer also seeks to repower or reconfigure the existing Generating Facility in a manner that increases the gross generating capacity by not more than 5 MW, then the Interconnection Customer may request that the Fast Track Process be applied with respect to the repowering or reconfiguration of the existing Generating Facility that results in the incremental increase in MW.

Initiating the Fast Track Interconnection Request. To initiate an Interconnection Request under the Fast Track Process, and have the Interconnection Request considered for validation the Interconnection Customer must provide the CAISO with:

- (i) a completed Interconnection Request as set forth in Appendix 1;

- (ii) a non-refundable processing fee of \$500; and
- (iii) a demonstration of Site Control. For the Fast Track Process, such demonstration may include documentation reasonably demonstrating a right to locate the Generating Facility on real estate or real property improvements owned, leased, or otherwise legally held by another.

The CAISO shall review and validate the Fast Track Process Interconnection Request pursuant to Section 5.2.

In the event of a conflict between this Section 5 and another provision of this RIS, Section 5 shall govern.

5.2 Initial Review

Within thirty (30) Calendar Days after the CAISO notifies the Interconnection Customer that the Interconnection Request is deemed complete, valid, and ready to be studied, the applicable Participating TO shall perform an initial review using the screens set forth in Section 5.2.1 below, and shall notify the Interconnection Customer of the results in a report that provides the details of and data underlying the Participating TO's determinations under the screens.

5.2.1 Screens

5.2.1.1 The proposed Generating Facility's Point of Interconnection must be on the CAISO Controlled Grid.

5.2.1.2 For interconnection of a proposed Generating Facility to a radial transmission circuit on the CAISO controlled grid, the aggregated generation on the circuit, including the proposed Generating Facility, shall not exceed 15 percent of the line section annual peak load as most recently measured at the substation. For purposes of this Section 5.2.1.2, a line section shall be considered as that portion of a Participating TO's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the transmission line.

This screen will not be required for a proposed interconnection of a Generating Facility to a radial transmission circuit with no load.

In cases where the circuit lacks the telemetry needed to provide the annual peak load measurement data, the CAISO shall use power flow cases from the latest completed Queue Cluster studies (either Phase I or Phase II) to perform this screen.

5.2.1.3 [Not Used]

5.2.1.4 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not contribute more than 10 percent to the transmission circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

The CAISO shall use the short circuit study data from the latest completed Queue Cluster studies to test this screen.

5.2.1.5 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not cause any transmission 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 percent of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 percent of the short circuit interrupting capability.

The CAISO shall use the short circuit study data from the most recently completed Queue Cluster studies to test this screen.

5.2.1.6 A Generating Facility will fail this initial review, but will be eligible for a supplemental review, if it proposes to interconnect in an area where there are known transient stability, voltage, or thermal limitations identified in the most recently completed Queue Cluster studies or transmission planning process.

5.2.1.7 No construction of facilities by a Participating TO on its own system shall be required to accommodate the proposed Generating Facility.

5.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved. Within fifteen (15) Business Days thereafter, the Participating TO will provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution.

5.2.3 If the proposed interconnection fails the screens, but the CAISO and Participating TO determine that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Participating TO shall, within fifteen (15) Business Days, provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution

5.2.4 If the proposed interconnection fails the screens and the CAISO and Participating TO do 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 Participating TO shall provide the Interconnection Customer with the opportunity to attend a customer options meeting as described in Section 5.4.

5.3 [Not Used]

5.4 Customer Options Meeting

If the CAISO and Participating TO determine 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 CAISO and Participating TO shall notify the Interconnection Customer within five (5) Business Days of that determination and provide copies of all data and analyses underlying their conclusion. Within ten (10) Business Days of the CAISO and Participating TO's determination, the CAISO and Participating TO shall offer to convene a customer options meeting with the CAISO and Participating TO 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 CAISO and Participating TO's determination, or at the customer options meeting, the CAISO and Participating TO shall:

5.4.1 Offer to perform facility modifications or modifications to the Participating TO's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Participating TO's

electric system. If the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within ten (10) Business Days of the customer options meeting; or

- 5.4.2** Offer to perform a supplemental review in accordance with Section 5.5 and provide a non-binding good faith estimate of the costs of such review; or
- 5.4.3** Offer to include the Interconnection Request in the next Queue Cluster Window, and the provision of the study deposit set forth in Section 3. Within fifteen (15) Business Days of the customer options meeting the Interconnection Customer shall provide the CAISO, in writing, with its election on how to proceed with its Interconnection Request. If the Interconnection Customer does not make an election within this time period, the CAISO will deem the Interconnection Request withdrawn.

5.5 Supplemental Review

- 5.5.1** 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 good faith estimate determined by the CAISO and Participating TO, both within fifteen (15) Business Days of the offer, or elect one of the options set forth in Section 5.4.3.
- 5.5.2** The Interconnection Customer may specify the order in which the CAISO and Participating TO will complete the screens in Section 5.5.4.
- 5.5.3** The Interconnection Customer shall be responsible for the CAISO and Participating TO'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 CAISO and Participating TO will return such excess, without interest, within twenty (20) Business Days of the invoice.
- 5.5.4** Within thirty (30) Business Days following receipt of the deposit for a supplemental review, or some longer period agreed to by the Interconnection Customer, CAISO, and Participating TO, the CAISO and Participating TO 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 CAISO and Participating TO'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 CAISO and Participating TO shall notify the Interconnection Customer following the failure of any of the screens, or if they are unable to perform the screen in Section 5.5.4.1, 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 Section 5.5.4; (2) terminate the supplemental review and offer the Interconnection Customer the options set forth in Section 5.4.3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

In conducting these screens, the CAISO and Participating TO will use power flow or short circuit study data from the most recently completed Queue Cluster studies (either Phase I or Phase II).

- 5.5.4.1** 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 percent 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 CAISO and Participating TO shall include the reason(s) that they are unable to calculate, estimate or determine minimum load in their supplemental review results notification under Section 5.5.4.

5.5.4.1.1 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 screen 5.5.4.1. 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.

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

5.5.4.1.3 The CAISO and Participating TO 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.

5.5.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section, the proposed Generating Facility shall not cause the violation of voltage standards, as set forth in the CAISO's Planning Standards, on any part of the CAISO Controlled Grid.

5.5.4.3 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 studying the Generating Facility in either the Queue Cluster or Independent Study processes. The CAISO and Participating TO shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

5.5.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

5.5.4.3.2 Whether the loading along the line section uniform or even.

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

5.5.4.3.4 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.

5.5.4.3.5 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 circuit/substation may trigger overloads or voltage issues.

5.5.4.3.6 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.

5.5.5 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the Interconnection Request shall be approved and the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in Sections 5.5.5.1 and 5.5.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall be treated in accordance with Section 5.5.5.3 below.

5.5.5.1 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above and does not require construction of facilities by the Participating TO on its own system, the interconnection agreement shall be provided within ten (10) Business Days after the notification of the supplemental review results.

5.5.5.2 If interconnection facilities or minor modifications to the Participating TO's system are required for the proposed interconnection to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the interconnection agreement, along with 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 after receiving written notification of the supplemental review results.

5.5.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Participating TO's system to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the CAISO and Participating TO shall notify the Interconnection Customer, at the same time they notify the Interconnection Customer with the supplemental review results, and offer the options set forth in Section 5.4.3 above. If the Interconnection Customer does not make an election within fifteen (15) Business Days, the CAISO will deem the Interconnection Request withdrawn.

Section 6 Cluster Study Process

6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 [Intentionally Omitted]

6.1.2 Scoping Meeting

During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with

all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Application Window.

The purpose of the Cluster Study Scoping Meeting will be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to the CAISO Website pursuant to Section 3.5 and 3.6 of this RIS, if applicable, and to analyze such information. The CAISO and the Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The CAISO and the Interconnection Customer(s) also will 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(s) will designate its Point of Interconnection. The duration of the meeting will be sufficient to accomplish its purpose. All Interconnection Customers must execute the non-disclosure agreement under Section 2.3 of this RIS prior to a group Cluster Study Scoping Meeting, which provides for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

6.1.3 Grouping Interconnection Requests

The CAISO will assign a Queue Position as follows: the Queue Position within the queue will be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.5 of this RIS. All Interconnection Requests submitted and validated in a single Cluster Application Window will be considered equally queued.

A higher Queue Position assigned to an Interconnection Request is one that has been placed “earlier” in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster will be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant queue will be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant queue.

Interconnection Studies performed within the Cluster Study Process will 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 and consistent with Good Utility Practice.

At the CAISO’s option, and in coordination with the applicable Participating TO(s), Interconnection Requests received during the Cluster Application Window for a particular year may be studied in subgroups 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 CAISO may develop one or more subgroups. A subgroup will include, at the CAISO’s sole judgment after coordination with the applicable Participating TO(s), Interconnection Requests that electrically affect one another with respect to the analysis being performed and the annual Transmission Plan, without regard to the nature of the underlying Interconnection Service. The CAISO may also, in its sole judgment after coordination with the applicable Participating TO(s), 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 Cluster Application Window for a particular year. In all instances in which the CAISO elects to use subgroups in the Cluster Study Process, the CAISO must publish the criteria used to define and determine the subgroups on the CAISO Website.

An Interconnection Request's inclusion in a subgroup will not relieve the CAISO or Participating TO(s) from meeting the timelines for conducting the Cluster Study provided in the RIS. Subgroups will be studied in such a manner to ensure the efficient implementation of the annual CAISO Transmission Plan in light of the transmission system's capabilities at the time of each study.

6.2. Scope and Purpose of Cluster Study

The Cluster Study will:

- (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the CAISO Controlled Grid;
- (ii) identify all LDNUs and RNUs needed to address the impacts on the CAISO Controlled Grid of the Interconnection Requests, as Assigned Network Upgrades or Conditionally Assigned Network Upgrades;
- (iii) preliminarily identify for each Interconnection Request required Interconnection Facilities;
- (iv) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall transmission upgrades costs;
- (v) establish the estimated, non-binding Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure for each Interconnection Request, until the issuance of the Interconnection Facilities Study report;
- (vi) provide a cost estimate of ADNUs for each Generating Facility in a Queue Cluster Study;
- (vii) identify controls required for each Interconnection Request where the Interconnection Customer requested Interconnection Service Capacity lower than the Generating Facility Capacity;
- (viii) identify any Precursor Network Upgrades; and
- (ix) identify RNUs as GRNUs or IRNUs.

The Cluster Study will consist of a short circuit analysis, a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment, for the purpose of identifying LDNUs and estimating the cost of ADNUs, as applicable.

The Cluster Study will state for each subgroup 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 subgroup or to the Interconnection Request studied individually.

The Cluster Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of RNUs, and LDNUs to the CAISO Controlled Grid that are preliminarily identified as Assigned Network Upgrades or Conditionally Assigned Network

Upgrades required as a result of the Interconnection Requests in a subgroup or as a result of any Interconnection Request studied individually and Participating TO's Interconnection Facilities associated with each Interconnection Request, the estimated costs of ADNUs, if applicable, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds). For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study will consider the level of Interconnection Service Capacity requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study will use operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by the Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. The CAISO may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by the CAISO. As determined by the CAISO, the Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA and Article 2 of the SGIA.

The Cluster Study will evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. The CAISO and Participating TO will evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, and Applicable Laws and Regulations. The CAISO and Participating TO will include an explanation of the results of the evaluation for each technology in the Cluster Study Report.

6.3 Identification of and Cost Allocation for Network Upgrades

6.3.1 Reliability Network Upgrades (RNUs).

The CAISO, in coordination with the applicable Participating TO(s), will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a subgroup to preliminarily identify the RNUs needed to interconnect the Generating Facilities to the CAISO Controlled Grid. The CAISO, in coordination with the applicable Participating TO(s), shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a subgroup to identify Reliability Criteria violations, including applicable thermal overloads, that must be mitigated by RNUs.

The cost of all RNUs identified in the Cluster Study shall be estimated in accordance with Section 6.4. The estimated costs of short circuit related GRNUs identified through a subgroup shall be assigned to all Interconnection Requests in that subgroup pro rata on the basis of the short circuit duty contribution of each Generating Facility. The estimated costs of all other GRNUs identified through a subgroup shall be assigned to all Interconnection Requests in that subgroup pro rata on the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request. The estimated costs of RNUs identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

Interconnection Customers assigned IRNUs in their Cluster Study will be allocated the full cost of the IRNUs in their Maximum Cost Responsibility. The Maximum Cost Exposure

will include the full costs of conditionally assigned IRNUs. The Current Cost Responsibility will include their allocated share of IRNU costs.

6.3.2 Delivery Network Upgrades.

6.3.2.1 The On-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform On-Peak Deliverability Assessments for Interconnection Customers selecting Full Capacity or Partial Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Generating Facility's ability to deliver its Energy to the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity or Partial Capacity Deliverability Status, accounting for Generating Facilities that include at least one electric storage resource that request to use, and for which the CAISO approves, operating assumptions pursuant to Section 3.1. The Deliverability Assessment will consist of two rounds, the first of which will identify any transmission constraints that limit the Deliverability of the Generating Facilities in the Cluster Study and will identify LDNUs to relieve the local constraints, and second of which will determine ADNUs to relieve the area constraints. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point, nor guarantee any level of deliverability, or transmission capacity, or avoided curtailment.

6.3.2.1.1 Local Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used to establish the Maximum Cost Responsibility and Maximum Cost Exposure for LDNUs for each Interconnection Customer selecting Full Capacity or Partial Capacity Deliverability Status. Deliverability of a new Generating Facility will be assessed on the same basis as all existing resources interconnected to the CAISO Controlled Grid.

The methodology for the On-Peak Deliverability Assessment will be published on the CAISO Website or, when effective, included in a CAISO Business Practice Manual. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point.

The cost of LDNUs identified in the On-Peak Deliverability Assessment as part of a Cluster Study shall be estimated in accordance with Section 6.4. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

6.3.2.1.2 Area Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used in the

Cluster Study to identify those facilities necessary to provide the incremental Deliverability between the level of TP Deliverability and such additional amount of Deliverability as is necessary for the MW capacity amount of generation targeted in the Cluster Study. Based on such facility cost estimates, the CAISO will calculate a rate for ADNU costs equal to the facility cost estimate divided by the additional amount of Deliverability targeted in the study. The Cluster Study will provide a cost estimate for each Interconnection Customer which equals the rate multiplied by the requested deliverable MW capacity of the Generating Facility in the Interconnection Request.

6.3.2.1.3 [Intentionally Omitted]

6.3.2.2 [Not Used]

6.3.2.3 [Not Used]

6.3.3 Interconnection Facilities

The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to the Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs

Each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems.

These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Network Upgrades and Participating TO's Interconnection Facilities. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

Prior to adoption and publication of final per unit costs for use in the Interconnection Study Cycle, the CAISO shall publish to the CAISO Website draft per unit costs, including non-confidential information regarding the bases therefore, hold a stakeholder meeting to address the draft per unit costs, and permit stakeholders to provide comments on the draft per unit costs. A schedule for the release and review of per unit costs is set forth in Appendix 5.

6.5 Assigned and Contingent Facilities

The CAISO and Participating TO will provide, upon request of the Interconnection Customer, its estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each Assigned Network Upgrade, Conditionally Assigned Network Upgrade, or Precursor Network Upgrade when this information is readily available and not commercially sensitive.

6.6 Cluster Study Procedures

The CAISO shall coordinate the Cluster Study with applicable Participating TO(s) pursuant to Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to Section 3.7. Existing studies shall be used to the extent practicable when conducting the Cluster Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO will complete and issue to Interconnection Customers the Cluster Study report within one hundred and fifty (150) days after the commencement of the Cluster Study; however, the Cluster Study 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 Section 15.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Cluster Study report to the Interconnection Customer.

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

Upon request, the CAISO 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 Cluster Study, subject to confidentiality arrangements consistent with Section 15.1.

6.7 Cluster Study Report Meeting

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on the CAISO Website, the CAISO will convene a Cluster Study Report Meeting.

6.7.1 [Not Used]

6.7.2 Modifications.

6.7.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO 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 while retaining its Queue Position. Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, Participating TO, or the CAISO 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 CAISO, the Participating TO, and the Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO will modify the Point of Interconnection prior to the end of the Customer Engagement Window.

6.7.2.2 Prior to the end of the Customer Engagement Window, modifications permitted under this Section shall include specifically:

- (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;
- (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, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld;
- (e) change in Point of Interconnection as set forth in Section 6.7.2.1;
- (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status; and
- (g) Permissible Technological Advancements consistent with Section 6.7.2.4.

For plant increases, the incremental increase in plant output will go in the next Cluster Application Window for the purposes of cost allocation and study analysis. For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. The CAISO and Participating TO will study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Prior to the return of the executed Interconnection Facilities Study Agreement to

the CAISO, the modifications permitted under this Section will include specifically:

- (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying the CAISO-approved injection-limiting equipment;
- (b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and
- (c) a Permissible Technological Advancement for the Generating Facility after the submission of the Interconnection Request. Section 6.7.2.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 6.7.2.2(c) is a Material Modification. Appendix A to the CAISO Tariff contains a definition of Permissible Technological Advancement.

If any Interconnection Customer requested modification after the Cluster Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

6.7.2.3 The Interconnection Customer shall provide the CAISO 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 CAISO 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. Any request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this RIS. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO 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 CAISO and applicable Participating TO(s) 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. 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 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within

thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.4 Interconnection Customers may request Permissible Technological Advancements. Permissible Technological Advancements may include, for example, removing equipment; aligning the Commercial Operation Date with an executed power purchase agreement; adding less than 5 MW of energy storage once without increasing the net output at the Point of Interconnection; and other changes that have little or no potential to affect other Interconnection Customers or Affected Systems, require a new Interconnection Request, or otherwise require a re-study or evaluation. The CAISO will update its Business Practice Manual to list any additional Permissible Technological Advancement approved but not specifically enumerated here when identified. The Interconnection Customer's written request to evaluate technological advancements must include the technical data required to assess the request.

For all Permissible Technological Advancement requests not expressly enumerated in this Section or the Business Practice Manual, the CAISO and Participating TO will determine whether such change would constitute a Material Modification. Such evaluation will include an analysis of the short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability, and impact on other Interconnection Customers. The CAISO will determine whether a Permissible Technological Advancement request is a Material Modification within thirty (30) calendar days of receipt of the request. Interconnection Customers requesting Permissible Technological Advancements must pay a non-refundable fee of \$2,500.

6.7.2.5 Notwithstanding any other provisions in this RIS or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

- (a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving its Commercial Operation Date;
- (b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request; or
- (c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the

CAISO received its Interconnection Request.

The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as fuel-type modifications. Interconnection Customers may request such modifications pursuant to this RIS.

6.7.2.6 In addition to the options provided in this RIS, an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its Interconnection Facilities Study. This conversion will become effective through the reassessment process described in Section 7.4. Except (i) as provided in Section 8.9.3.2 (ii) due to not receiving the requested TP Deliverability allocation, or (iii) due to declining a TP Deliverability allocation, Interconnection Customers that become Energy Only after their Interconnection Facilities Study may not reduce their cost responsibility for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the \$10,000 deposit, by May 30 to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of deposits or penalties will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

6.7.2.8 Additional Generation

The Interconnection Customer may request, and the CAISO and Participating TO will evaluate, the addition to the Interconnection Request of a Generating Unit with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Unit does not increase the requested Interconnection Service level. The CAISO and Participating TO must evaluate such modifications prior to deeming them a Material Modification, but only if the

Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by the Interconnection Customer to the CAISO. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

6.7.3 [Not Used]

6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;
- b) Providing proof of having an executed power purchase agreement. Power purchase agreements must have the Point of Interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Control for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Control Deposit does not satisfy this criterion;
- d) Having an executed Generator Interconnection Agreement ("GIA"); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

The CAISO'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 Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this RIS.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy Only Deliverability Status. Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Commercial Readiness Deposit or GIA Deposit for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the Generating Facility that is in service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. However, where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Cluster Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Interconnection Study report. This exemption is inapplicable to report addenda or revisions required by a request from an Interconnection Customer for any reason.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold and retaining their TP Deliverability pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the Deliverability Status of the Generating Facility corresponding to the Interconnection Request will convert to Energy-Only Deliverability Status.

6.7.5 Alignment with Power Purchase Agreements

An Interconnection Customer with an executed GIA and an executed power purchase agreement may request to automatically extend the GIA Commercial Operation Date to align with its power purchase agreement for that Generating Facility, including any extension or amendment. Interconnection Customers requesting alignment must (1) provide a copy of the power purchase agreement, and (2) confirm the power purchase agreement's standing and details in the annual TP Deliverability affidavit process. Requests to align the Commercial Operation Date with power purchase agreements are not exempt from the commercial viability criteria provisions in Section 6.7.4, where applicable.

6.8 Revisions and Addenda to Final Interconnection Study Reports

6.8.1 Substantial Error or Omissions; Revised Study Report

Should the CAISO discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study Report (which can mean a final Cluster Study report or Interconnection Facilities Study report) contains a substantial

error or omission, the CAISO 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 Current Cost Responsibility, Maximum Cost Responsibility, Maximum Cost Exposure, and Participating TO Interconnection Facilities, as set by the Interconnection Facilities Study, by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater;
- (ii) delay of the Commercial Operation Date, In-Service Date, or requested Deliverability Status by more than one year; or
- (iii) termination of the Interconnection Customer's power purchase agreement.

The CAISO will include examples of how Interconnection Customers can demonstrate power purchase agreement terminations in the Business Practice Manual. The CAISO will confirm power purchase agreement terminations with the Interconnection Customer's counterparty.

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. Changes to Interconnection Studies resulting from Interconnection Customer requests, including without limitation, modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.

6.8.2 Other Errors or Omissions; Addendum

If an error or omission in an Interconnection Study report is not a substantial error or omission, the CAISO shall not issue a revised final Interconnection Study report. Rather, the CAISO shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The CAISO and applicable Participating TO 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 Section 13.

6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates

For Clusters 14 and previous: Only substantial errors and omissions related to the 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 Section 6.8 no longer apply. Any error or omission found after the second Interconnecting Financial Security posting will not impact the Interconnection Customer's Assigned Cost Responsibility, Maximum Cost Responsibility, or Maximum Cost Exposure.

Unless the error or omission is substantial, resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission will not delay any deadline for posting Interconnection Financial Security. In the case of a substantial error

or omission resulting in the issuance of a revised final report, the deadline for posting Interconnection Financial Security shall be extended as set forth in Section 11. In addition to issuing a revised final report, the CAISO 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 CAISO 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 this RIS, subject to refund in the event that the Interconnection Customer prevails in the dispute.

6.8.4 Substantial Errors or Omissions Allowing Refunds

Notwithstanding Section 3.5.1, after the Interconnection Customer has posted its second Commercial Readiness Deposit, it is eligible for a one-hundred percent (100%) refund of its remaining, unspent Commercial Readiness Deposit and all remaining, unspent Study Deposit funds if:

- (i) it receives a substantial error or omission; and
- (ii) it withdraws its Interconnection Request within sixty (60) days of the publication of the revised Study Report or the termination of its power purchase agreement resulting from the substantial error or omission, as applicable.

Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection Facilities Study

7.1 [Not Used]

7.2 Full/Partial Capacity Deliverability Options for Interconnection Customers

This section applies to Interconnection Requests for which the Generating Facility Deliverability Status is either Full Capacity or Partial Capacity.

Within Appendix B, the Interconnection Facilities Study 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 a Commercial Readiness Deposit and GIA Deposit for the cost responsibility assigned to it in the Cluster Study for RNUs and LDNUs; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both ADNUs and LDNUs, to the extent applicable) without cash repayment under Section 14.2.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested Deliverability Status. If the Interconnection Customer selects Option (B) then the Interconnection Customer shall be required to make a Commercial Readiness Deposit and GIA Deposit for the cost responsibility assigned to it in the Cluster Study for RNUs, LDNUs, and ADNUs. To qualify to receive any allocation of TP Deliverability, Interconnection Customers selecting Option (B) must still meet the minimum criteria identified in Section 8.9.2.

7.3 [Not Used]

7.4 Reassessment Process

The CAISO will perform a reassessment of the Base Case after each Cluster Study. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Cluster Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the Interconnection Studies for the immediately preceding Queue Cluster;
- (b) downsizing requests from Interconnection Customers pursuant to Section 6.7.2.3;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) changes in TP Deliverability allocations or Deliverability Status;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The CAISO will complete the annual reassessment, including the Cluster Rerestudy, within one hundred eighty (180) days of the Cluster Study Report Meeting.

7.4.1 Cluster Study Rerestudy

The CAISO will conduct the Cluster Study Rerestudy as part of the annual reassessment of the Base Case pursuant to Section 7.4.

- (1) Within twenty (20) days after the Cluster Study Report Meeting, the Interconnection Customer must provide the following:
 - (a) Demonstration of continued Site Control pursuant to Section 3.5.1 of this RIS; and
 - (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to five percent (5%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to its demonstration of Site Control under Section 3.5.1 of this RIS. Upon the CAISO determining that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

- (2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.8 of this RIS after completion of the Cluster Study or Cluster Restudy, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.
- (3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will conduct a Cluster Restudy as part of the annual reassessment. If the CAISO determines a Cluster Restudy is not necessary, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and the CAISO will provide an updated Cluster Study Report within thirty (30) days of such determination.
- (4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will notify Interconnection Customers in the Cluster and post on the CAISO Website that a Cluster Restudy is required within thirty (30) days after the Cluster Study Report Meeting. The CAISO will continue with such restudies until the CAISO determines that no further restudies are required. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project, the CAISO will so notify affected Interconnection Customers in writing.
- (5) The scope of any Cluster Restudy will be consistent with the scope of an initial Cluster Study pursuant to Section 6.2 of this RIS. The results of the Cluster Restudy will be combined into a single report (Cluster Restudy Report). The CAISO will hold a meeting with the Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on the CAISO Website.

If additional restudies are required, Interconnection Customer and the CAISO will follow the procedures of this Section 7.4 of this RIS until such time that the CAISO determines that no further restudies are required. The CAISO will notify each Interconnection Customer within the Cluster when no further restudies are required.

7.4.2 Where, as a consequence of the reassessment, the CAISO determines that changes to the previously identified Network Upgrades in Queue Clusters earlier than the current Interconnection Study Cycle will cause changes to plans of service set out in executed GIAs, such changes will serve as a basis for amendments to GIAs.

7.4.3 Such changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

- (i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and \$1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost

Responsibility and (b) 100 percent of the costs of all remaining Assigned Network Upgrades included in the Interconnection Customer's plan of service.

- (ii) If an Interconnection Customer's Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO's system that occurs after the completion of the Interconnection Customer's Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer's estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer's Interconnection Facilities Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Facilities Study. For Interconnection Customers with complete Phase II Interconnection Studies or Interconnection Facilities Studies, the CAISO will publish advisory, non-binding updates to those studies in the reassessment, and binding updates in the following Interconnection Facilities Study.
- (iii) To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will adjust the Interconnection Customer's Maximum Cost Exposure, as applicable.
- (iv) To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer's Current Cost Responsibility and Maximum Cost Responsibility, as applicable.

7.5 Option (B) Customers

The annual reassessment will identify ADNUs for Interconnection Customers who have selected Option (B). The Base Case for the reassessment will include Option (A) Generating Facilities in the current Interconnection Study Cycle and earlier queued Generating Facilities that will utilize TP Deliverability in a total amount that fully utilizes but does not exceed the available TP Deliverability.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area is less than or equal to the total TP Deliverability in any electrical area, the Base Case will include all Option (A) and earlier queued Generating Facilities in the electrical area.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area exceeds the TP Deliverability in any electrical area, the Base Case will include a representative subset of Generating Facilities that fully utilizes but does not exceed the TP Deliverability.

After the CAISO has modeled the Option (A) Generating Facilities, as described above, the CAISO will add Option (B) Generating Facilities to the Base Case. ADNUs that are identified as

needed for each electrical area shall be assigned to Option (B) Generating Facilities based upon their flow impacts.

The cost responsibility for Area Delivery Network Upgrades identified in the reassessment will be assigned to Interconnection Customers who have selected Option (B) Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

7.6 Application of Withdrawal Penalties and Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse withdrawal penalties and non-refundable deposits from Interconnection Requests subject to this RIS as follows:

(a) Withdrawal Period

The CAISO shall calculate Withdrawal Penalties based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement, pursuant to Section 3.8.1.

For each withdrawal period, the CAISO shall calculate and disburse available Withdrawal Penalties in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

(b) Disbursement of Withdrawal Penalties Assessed Prior to Cluster Study Results

For any Withdrawal Penalties assessed pursuant to 3.8.1.1(a) and for an Interconnection Customer that withdraws or is deemed withdrawn during the Cluster Study but before the receipt of a Cluster Study Report, the CAISO will use such funds to offset the costs of the Cluster Restudy on an equal basis for all Interconnection Customers studied in the restudy.

(c) Calculation and Disbursement of Withdrawal Penalties for Still-Needed Network Upgrades At or Above \$100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement after the Cluster Study results, the CAISO shall calculate the proportion of the Withdrawal Penalty that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer's Current Cost Responsibility for the Network Upgrade by the Interconnection Customer's total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer's total amount of Withdrawal Penalty.

If the amount of Withdrawal Penalty attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than \$100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be

disbursed by the CAISO in the same manner in a subsequent reassessment, based on the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(d).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(d).

(d) Calculation and Disbursement of Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any Withdrawal Penalty, as well as any non-refundable deposit not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO's Transmission Access Charge, and to offset Local Transmission Revenue Requirements

This offset shall be performed by first allocating these Withdrawal Penalties and non-refundable deposit amounts to the following three categories in proportion to the Interconnection Customer's most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO's Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO's most recent Regional Transmission Revenue Requirement to the total of all Participating TOs' most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(e) Disbursement of Funds by CAISO; Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any Withdrawal Penalty where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO's submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

Section 8 Interconnection Facilities Study and TP Deliverability Allocation Processes

8.1 Interconnection Facilities Study

8.1.1 Interconnection Facilities Study Agreement

Within five (5) Business Days following the CAISO's notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.4), the CAISO will provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix B to this RIS. The Interconnection Customer will compensate the CAISO and Participating TO for the actual cost of the Interconnection Facilities Study. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the CAISO will provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.

The Interconnection Customer will execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the CAISO within thirty (30) days after its receipt, together with:

- (1) any required technical data;
- (2) Demonstration of one hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the CAISO in accordance with Section 3.5.1.3 of this RIS; and
- (3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to ten percent (10%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. Upon the CAISO determining separately that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

8.1.2 Scope of the Interconnection Facilities Study

The Interconnection Facilities Study will be performed on a clustered basis. The Interconnection Facilities Study will specify and provide Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure to each Interconnection Customer to implement the conclusions of the Cluster Study Report (and any as associated reassessment) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study will 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 the Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

8.1.3 [Not Used]

8.1.4 [Not Used]

8.1.5 [Not Used]

8.2 [Not Used]

8.3 [Not Used]

8.4 [Not Used]

8.5 Interconnection Facilities Study Procedures

The CAISO will coordinate the Interconnection Facilities Study with the Participating TO and any Affected System pursuant to Section 3.7 of this RIS. The CAISO and Participating TO will utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The CAISO and Participating TO will complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed Interconnection Facilities Study Agreement.

At the request of the Interconnection Customer or at any time the CAISO determines that it will not meet the required time frame for completing the Interconnection Facilities Study, the CAISO will notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If the CAISO is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, it will notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the CAISO, which the CAISO will include in completing the final Interconnection Facilities Study Report. The CAISO will issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The CAISO may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require the CAISO and Participating TO to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, the CAISO and Participating TO will provide the Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

8.6 Interconnection Facilities Restudy

If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project

pursuant to Section 6.7.2 of this RIS, the CAISO will update the Interconnection Facilities Study results via the annual reassessment described in Section 7.4. Any cost of restudy will be borne by the Interconnection Customer being restudied.

8.7 Results Meeting With the CAISO and Applicable PTO(s)

Within thirty (30) calendar days of providing the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

8.8 [Intentionally Omitted]

8.9 Allocation Process for TP Deliverability

After the Interconnection Facilities Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a market notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

- (a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:
 - (i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.
 - (ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.3.
- (b) any Maximum Import Capability included as a planning objective in the Transmission Plan and a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA can use Maximum Import Capability made available by Participating Generators and System Resources if such allocation is made available in accordance with Section 40.4.6.2.1 (Step 13) of the CAISO Tariff; the available Maximum Import Capability made available by the Load Serving Entities that have access to Subscriber Rights until the Load Serving Entity(ies)

cease using this Maximum Import Capability allocation or Delivery Network Upgrade(s) pursuant to Section 4.3A4.2(b) of the CAISO Tariff is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with Section 8.9.1(c) of this GIDAP;

- (c) any other commitments having a basis in the Transmission Plan, including any commitments established due to a Subscriber's exercise of its first option to acquire Deliverability made possible by Delivery Network Upgrades pursuant to Section 4.3A.4.2(a) of the CAISO Tariff, provided this first option has been exercised before the Subscriber is no longer eligible to apply for TP Deliverability allocation under Section 8.9 of this GIDAP. Generating Units possessing Subscriber Rights seeking to receive TP Deliverability must submit a request and will be subject to Sections 8.9.2 and 8.9.3 of this GIDAP. For each Subscriber that submits a TP Deliverability request, the CAISO will provide the Subscriber with a Queue Position.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation to the current queue cluster in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

8.9.2 Second Component: Allocating TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request.

- (A) To Interconnection Customers that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.
- (B) To Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C) To Interconnection Customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To Interconnection Customers electing to be subject to Section 8.9.2.3.

Energy Only capacity seeking TP Deliverability may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after FCDS and PCDS Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities,

from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a \$60,000 study deposit for each Interconnection Request seeking TP Deliverability. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The funds will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the TP Deliverability studies for the Energy Only Interconnection Customers. Any and all costs of the Energy Only TP Deliverability study will be borne by the Interconnection Customer. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the study. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced.

For an Interconnection Customer seeking to receive or retain TP Deliverability to represent that it has, is negotiating, or is shortlisted for a power purchase agreement under this RIS, the agreement must meet the following criteria:

- (1) the agreement has a term of no less than five (5) years. Interconnection Customers with multiple, short-term agreements for the same capacity may meet this criterion where the combined terms are five (5) years or more; and
- (2) the counterparty must:
 - (a) be a Load Serving Entity procuring the capacity to meet its own Resource Adequacy obligation; or
 - (b) demonstrate it has a contract to provide the capacity for at least one (1) year to a Load Serving Entity for a Resource Adequacy obligation.

Interconnection Customers may seek or retain a TP Deliverability allocation if they meet all tariff criteria except the counterparty criterion (2); however, within thirty (30) days of receiving a TP Deliverability allocation, they must demonstrate they meet the counterparty criterion or provide a deposit of \$10,000 per MW of allocated TP Deliverability, but in no case less than \$500,000. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The CAISO will refund the deposit when the Generating Facility begins Commercial Operation or meets the counterparty criterion, whichever is earlier. To the extent the Interconnection Customer withdraws, is deemed withdrawn, converts to Energy Only, or otherwise downsizes or eliminates the capacity allocated TP Deliverability, the deposit or commensurate portion thereof will be non-refundable, and the CAISO will process it and any accrued interest pursuant to Section 7.6.

For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be

doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

8.9.2.1 Deliverability Affidavits

To determine TP Deliverability allocation order, Interconnection Customers will be assigned a numerical score reflecting the its demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual.

- (1) Permitting status. An Interconnection Customer's Generating Facility must meet at least one of the following:
 - a. The Interconnection Customer has received its final governmental permit or authorization allowing the Generating Facility to commence construction.
 - b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.
 - c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.
 - d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.
- (2) Project financing status. An Interconnection Customer's Generating Facility must meet at least one of the following criteria:
 - a. The Interconnection Customer has an executed and regulator-approved power purchase agreement.
 - b. The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.
 - c. The Interconnection Customer is on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity or procuring entity, or is currently negotiating a power purchase agreement.
 - d. The Interconnection Customer is a Load Serving Entity constructing its project to serve its own Load pursuant to a regulatory requirement.

- (3) Land acquisition
 - a. The Interconnection Customer demonstrates a present legal right to begin construction of the Generating Facility on one hundred percent (100%) of the real property footprint necessary for the entire Generating facility.
 - b. The Interconnection Customer demonstrates Site Exclusivity.

In allocating TP Deliverability under this section, in a situation where the TP Deliverability cannot accommodate all of the Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on the highest numerical score. In a situation where the available amount of TP Deliverability can accommodate all Interconnection Customers with equal scores, the CAISO will allocate the TP Deliverability to the Interconnection Customers with the lowest LDNU cost estimates. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement.

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability.

8.9.2.2 [Not Used]

8.9.2.3 TP Deliverability Group D

This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.

If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section. Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.

Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.

For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

- (1) Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement.
- (2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.

Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability allocation may not reduce their Maximum Cost Responsibility or Current Cost Responsibility for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this RIS, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that:

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or
- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

The Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customers may elect to reduce its Commercial Readiness Deposit as a result.

8.9.4 Parking for Option (A) Generating Facilities

For an Option (A) Generating Facility in the current Interconnection Study Cycle that

either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following options:

- (1) Withdraw its Interconnection Request
- (2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any Commercial Readiness Deposit will be adjusted to remove the obligation pertaining to LDNUs
- (3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.

An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. Parked Interconnection Customers may not submit modification requests except for the following modifications:

- (1) reducing the Interconnection Service Capacity;
- (2) changing fuel type or technology;
- (3) Permissible Technological Advancements; or
- (4) changing the Point of Interconnection.

Parked Interconnection Customers must post their Commercial Readiness Deposit prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this RIS.

8.9.4.1 Extended Parking for Option (A) Generating Facilities

An Option (A) Generating Facility that parked its Interconnection Request and participated in a second allocation of TP Deliverability may remain parked for one final (third) allocation of TP Deliverability where: (a) the most recent TP Deliverability allocation shows that TP Deliverability will still be available to the Generating Facility; and (b) the Generating Facility has not been assigned Network Upgrades identified as needed by other Interconnection Customers in the Generating Facility's cluster study group or later cluster study groups. Criterion (b) will not apply where the Generating Facility has been assigned Network Upgrades identified as needed only by other Interconnection Customers in the Generating Facility's own cluster study group and all of those active Interconnection Customers also elect to remain parked.

8.9.5 Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities

If a Generating Facility is allocated TP Deliverability in the current Interconnection Study Cycle in an amount less than the amount of Deliverability requested, then the Interconnection Customer must choose one of the following options:

- (i) Accept the allocated amount of TP Deliverability and reduce the MW generating capacity of the proposed Generating Facility such that the allocated amount of TP Deliverability will provide Full Capacity Deliverability Status to the reduced generating capacity;
- (ii) Accept the allocated amount of TP Deliverability and adjust the Deliverability status of the proposed Generating Facility to achieve Partial Capacity Deliverability corresponding to the allocated TP Deliverability;
- (iii) For Option (A) Generating Facilities, accept the allocated amount of TP Deliverability and seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle. In such instance, the Interconnection Customer shall execute a GIA for the entire Generating Facility having Partial Capacity Deliverability corresponding to the allocated amount of TP Deliverability. Following the next cycle of TP Deliverability allocation, the GIA shall be amended as needed to adjust its Deliverability status to reflect any additional allocation of TP Deliverability. At this time the Interconnection Customer may also adopt options (i) or (ii) above based on the final amount of TP Deliverability allocated to the Generating Facility. There will be no further opportunity for this Generating Facility to participate in any subsequent cycle of TP Deliverability allocation; or
- (iv) Decline the allocated amount of TP Deliverability and either withdraw the Interconnection Request or convert to Energy Only Deliverability Status. An Interconnection Customer having an Option (A) Generating Facility that has not previously parked may decline the allocation of TP Deliverability and park until the next cycle of TP Deliverability allocation in the next Interconnection Study Cycle.

An Interconnection Customer that selects option (iii) or (iv) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

Interconnection Customers accepting a partial allocation of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

8.9.6 Declining TP Deliverability Allocation

An Interconnection Customer having an Option (A) Generating Facility and allocated the entire amount of requested TP Deliverability may decline all or a portion of the TP Deliverability allocation and park the Generating Facility Request as described in Section 8.9.4(3). An Interconnection Customer that selects this option may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

8.9.7 Interim Deliverability

If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity

Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete.

8.9.8 Updates to Interconnection Study Results

Upon completion of the allocation of TP Deliverability in accordance with Section 8.9.2, the CAISO will provide the allocation results to the Interconnection Customers for eligible Generating Facilities in the current Queue Cluster and eligible parked Generating Facilities. Each of these Interconnection Customers will then have seven (7) days to inform the CAISO of its decisions in accordance with Sections 8.9.4, 8.9.5, and 8.9.6. Following the CAISO's receipt of this information from all affected Interconnection Customers, the CAISO will provide updates where needed to the Interconnection Study reports for all Generating Facilities whose Network Upgrades have been affected.

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this RIS, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter as a modification request also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Section 9 Additional Deliverability Assessment Options

9.1 [Intentionally Omitted]

9.2 [Intentionally Omitted]

9.3 PTO Tariff Option for Full Capacity Deliverability Status

To the extent that a Participating TO's tariff provides the option for customers taking interconnection service under the Participating TO's tariff to obtain Full Capacity Deliverability Status, the CAISO will, in coordination with the applicable Participating TO, perform the necessary Deliverability studies to determine the Deliverability of customers electing such option. The CAISO shall execute any necessary agreements for reimbursement of study costs it incurs and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers under the Participating TO's tariff.

9.4 Deliverability from Non-Participating TOs

This process applies to Generating Facilities that interconnect to the transmission facilities of a Non-Participating TO located within the CAISO Balancing Authority Area that wish to obtain Full Capacity Deliverability Status or Partial Capacity Deliverability Status under the CAISO Tariff. Such Generating Facilities will be eligible to be studied by the CAISO for Full or Partial Capacity Deliverability Status pursuant to the following provisions:

- (a) The Generating Facility seeking Full or Partial Capacity Deliverability Status under the CAISO Tariff must submit a request to the CAISO to study it for such Status. Such study request will be in the form of the CAISO's pro forma Interconnection Request, must include the Generating Facility's intended Point of Delivery to the CAISO Controlled Grid, and must be submitted during a Cluster Application Window. The Generating Facility will be required to satisfy the same study deposit and Commercial Readiness Deposit posting requirements as an Interconnection Customer.
- (b) The Non-Participating TO that serves as the interconnection provider to the Generating Facility must treat the CAISO as an Affected System in the interconnection study process for the Generating Facility.
- (c) As part of the Non-Participating TO's interconnection study process, the CAISO, in its sole discretion and on a case-by-case basis, will determine the adequacy of transmission on the Non-Participating TO's system for the Generating Facility to be deemed fully deliverable to the elected Point of Delivery to the CAISO Controlled Grid. Only those proposed Generating Facilities (or proposed increases in Generating Facility capacity) for which the CAISO has determined there is adequate transmission capacity on the Non-Participating TO system to provide full Deliverability to the applicable Point of Delivery will be eligible to be assessed for Full or Partial Capacity Deliverability Status under the CAISO Tariff.
- (d) If the Generating Facility is eligible for study for Full or Partial Capacity Deliverability Status, the CAISO will include the Generating Facility in the Interconnection Study process for the Queue Cluster associated with the Cluster Application Window in which the Generating Facility has submitted its study request. The Point of Delivery with the CAISO will be treated as the Point of Interconnection for purposes of including the Generating Facility in a Cluster Study with any applicable CAISO Interconnection Customers in the relevant Queue Cluster. Pursuant to the Queue Cluster Interconnection Study process the Generating Facility will be allocated its cost responsibility share of any applicable LDNUs or ADNUs.

The Generating Facility shall be permitted to select an Option (A) or Option (B) Deliverability option under Section 7.2 (and will be treated as an Option (B) Generating Facility if a selection is not provided to the CAISO) and permitted to participate in TP Deliverability allocation under Section 8.

- (e) The CAISO, Participating TO, and Interconnection Customer will execute any necessary agreements for reimbursement of study costs incurred it to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to each such interconnection customer under the Non-Participating TO's tariff.
- (f) The Non-Participating TO's interconnection customer will receive repayment of funds expended for the construction of the LDNUs , and, as applicable, ADNUs, on the CAISO Controlled Grid in the same manner as CAISO Interconnection Customers, as specified in Section 14.3.2.

Section 10 Cost Responsibility for Interconnection Customers

10.1 Interconnection Customers in a Queue Cluster.

- (a) RNUs and LDNUs. The Interconnection Studies will establish Interconnection Customers' Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure consistent with the cost allocations described in Section 8. The CAISO will adjust Interconnection Customers' cost responsibilities as described in this RIS. Interconnection Customers will post Commercial Readiness Deposit and GIA Deposit based on their Current Cost Responsibility.
- (b) ADNUs. Interconnection Customers selecting Option (A) do not include ADNUs in the Commercial Readiness Deposit and GIA Deposit. The Current Cost Responsibility provided in the Cluster Studies establishes the basis for the initial Commercial Readiness Deposit. For Interconnection Customers selecting Option (B), the annual reassessment shall refresh the Current Cost Responsibility for ADNUs.

The ADNU 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 ADNUs. However, subsequent to the Interconnection Customer's receipt of its Interconnection Facilities Study report, an Interconnection Customer having selected Option (B) may have its ADNUs adjusted in the reassessment process undertaken under Section 7.4. Accordingly, for such Interconnection Customers, the most recent annual reassessment undertaken under Section 7.4 shall provide the most recent cost estimates for the Interconnection Customer's ADNUs.

10.2 [Not Used]

Section 11 Commercial Readiness Deposit and GIA Deposit

11.1 Types of Commercial Readiness Deposit and GIA Deposit

The Commercial Readiness Deposit and GIA Deposit posted by an Interconnection Customer may be any combination of the following types of Commercial Readiness Deposit or GIA Deposit:

- (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 Poors 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 Poors 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 Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO(s);
- (e) a certificate of deposit in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors

or A2 or better by Moody's.

Commercial Readiness Deposit and GIA Deposit instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) 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 CAISO and applicable Participating TO(s).

The CAISO shall publish and maintain standardized forms related to the types of deposits listed above which shall be accessible on the CAISO Website. The CAISO shall require the use of standardized forms of Commercial Readiness Deposit and GIA Deposit to the greatest extent possible. If at any time the guarantor of the Commercial Readiness Deposit or GIA Deposit fails to maintain the credit rating required by this Section, the Interconnection Customer shall provide to the applicable Participating TO(s) replacement Commercial Readiness Deposit or GIA Deposit meeting the requirements of this Section within five (5) Business Days of the change in credit rating.

The CAISO shall, upon receipt, deposit all Commercial Readiness Deposit, GIA Deposit, and other deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Interest on a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account under subpart (d) of this Section will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6

Section 12 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 the applicable Participating TO(s) shall offer the Interconnection Customer, an E&P Agreement that authorizes the applicable Participating TO(s) to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the applicable Participating TO(s) shall not be obligated to offer an E&P Agreement if the Interconnection Customer is in Dispute Resolution as a result of an allegation that the Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the RIS. The E&P Agreement is an optional procedure. The E&P Agreement shall provide for the Interconnection Customer to pay the cost of all activities authorized by the Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

The 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 the 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, the Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the applicable Participating TO(s) may elect: (i) to take title to the equipment, in which event the applicable Participating TO(s) shall refund the 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 the Interconnection Customer, in which event the Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 13 Generator Interconnection Agreement (GIA)

13.1 Tender

13.1.1

The Interconnection Customer will tender comments on the draft Interconnection Facilities Study Report within thirty (30) calendar days of receipt of the report. Within thirty (30) calendar days after the latter of (a) the comments are submitted, (b) the Interconnection Customer notifies the CAISO it will not provide comments, the Participating TO will tender a draft GIA, together with draft appendices. The draft GIA will be in the form of the CAISO's FERC-approved standard form GIA, which is in Appendix LL or MM, as applicable. The Interconnection Customer will execute and return the GIA and completed draft appendices within thirty (30) calendar days, unless (1) the sixty (60) calendar day negotiation period under Section 13.2 of this RIS has commenced, or (2) GIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 13.2.1 of this RIS. The CAISO and Participating TO will suspend negotiations for an Option (A) Generating Facility that has been tendered a GIA and subsequently elects to park its Interconnection Request. The draft GIA will be in the form of the FERC-approved GIA set forth in CAISO Tariff Appendix EE or Appendix FF, as applicable.

13.1.2 Consistent with Section 13.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the GIA, as appropriately modified.

13.2 Negotiation

Notwithstanding Section 13.1 of this RIS, at the request of Interconnection Customer, the CAISO and Participating TO will begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. The CAISO, Participating TO, and the Interconnection Customer will negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than sixty (60) calendar days after tender of the final Interconnection Facilities Study Report. If the 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 Section 13.1 of this RIS and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5 of this RIS. If the Interconnection Customer requests termination of the negotiations, but within sixty (60) calendar days thereafter fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it will be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 of this RIS within sixty (60) calendar days of tender of draft GIA, it will be deemed to have withdrawn its Interconnection Request. The Participating TO will provide to the Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

13.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report

If the Interconnection Customer has not received its Affected System Study Report from an Identified Affected System prior to the date it would be required to execute its GIA (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS, the CAISO will, upon request of the Interconnection Customer, extend this deadline to thirty (30) calendar days after the Interconnection Customer's receipt of the Affected System Study Report, or two hundred and ten (210) calendar days after the tendering of the GIA and appendices, whichever is earlier.

If the Interconnection Customer, after delaying GIA execution, or requesting unexecuted filing, to

await Affected System Study Report, decides to proceed to GIA execution, or request unexecuted filing, without those results, it may notify the CAISO of its intent to proceed with GIA execution (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS.

If the CAISO determines that further delay to the GIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, the CAISO must notify the Interconnection Customer of such impacts and set the deadline to execute the GIA (or request that the GIA be filed unexecuted) to thirty (30) calendar days after such notice is provided.

13.3 Execution and Filing

The Interconnection Customer shall either: (i) execute the appropriate number of originals of the tendered GIA as specified in the directions provided by the CAISO and return them to the CAISO, as directed, for completion of the execution process; or (ii) request in writing that the applicable Participating TO(s) and CAISO file with FERC a GIA in unexecuted form. The GIA shall be considered executed as of the date that all three Parties have signed the GIA. As soon as practicable, but not later than ten (10) Business Days after receiving either the 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, the applicable Participating TO(s) and CAISO shall file the GIA with FERC, as necessary, together with an explanation of any matters as to which the Interconnection Customer and the applicable Participating TO(s) or CAISO disagree and support for the costs that the applicable Participating TO(s) propose to charge to the Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by the applicable Participating TO(s) and CAISO 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.

Simultaneously with submitting the executed GIA, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC, the Interconnection Customer shall provide the CAISO with the following: (1) demonstration of continued Site Control pursuant to Section 8.1.1(2) of this RIS; and (2) the GIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft GIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to the CAISO for its Interconnection Request. The CAISO shall use GIA Deposit as (or as a portion of) the Interconnection Customer's security required under GIA Article 11.5. The Interconnection Customer may not request to suspend its GIA under GIA Article 5.16 until Interconnection Customer has provided (1) and (2) to the CAISO. If the Interconnection Customer fails to provide (1) and (2) to the CAISO within the thirty (30) days allowed for returning the executed GIA and appendices under RIS Section 13.1.1, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC as allowed in this Section 13.3 of this RIS, the Interconnection Request will be deemed withdrawn pursuant to Section 3.8 of this RIS.

13.4 Commencement of Interconnection Activities

If the Interconnection Customer executes the final GIA, the applicable Participating TO(s), CAISO and the 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, the Interconnection Customer, applicable Participating TO(s) and CAISO may proceed to comply with the unexecuted GIA, pending FERC action.

13.5 Interconnection Customer to Meet PTO Handbook Requirements

The Interconnection Customer's Interconnection Facilities shall be designed, constructed,

operated and maintained in accordance with the applicable Participating TO's Interconnection Handbook.

Section 14 Construction and Neighboring System Impacts

14.1 Schedule

The applicable Participating TO(s) and the Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of the applicable Participating TO's Interconnection Facilities and the Network Upgrades.

14.2 Construction Sequencing

14.2.1 General

In general, the sequence of construction of Stand Alone Network Upgrades or other Network Upgrades for a single Interconnection Request, 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 Stand Alone Network Upgrades or other Network Upgrades.

14.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer

The applicable Participating TO(s) shall be responsible for financing and 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 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, and such GIA specifies that the Participating TO would 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).

Where the Participating TO is constructing ADNUs for Option (B) Interconnection Customers and one of the two conditions above occurs, the Participating TO shall continue to construct such ADNUs with financing provided from the Commercial Readiness Deposit of those Option (B) Interconnection Customers' Interconnection referred to above, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers who still need the ADNUs.

The obligation under this Section arises only after the CAISO, in coordination with the applicable Participating TO(s), determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is

contractually, or was previously contractually, associated with the Network Upgrades.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the CAISO, applicable Participating TO(s), and the Interconnection Customer as part of the Interconnection Study, the applicable Participating TO(s) 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 applicable Participating TO(s) any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under Section shall be in addition to the Interconnection Customer's cost responsibility.

14.2.3 Advancing Construction of Network Upgrades that are Part of the CAISO's Transmission Plan

An Interconnection Customer with a GIA, in order to maintain its In-Service Date as specified in the GIA, may request that the CAISO and applicable Participating TO(s) advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an approved CAISO Transmission Plan covering the PTO Service Territory of the applicable Participating TO(s), in time to support such In-Service Date. Upon such request, the applicable Participating TO(s) will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Interconnection Customer commits to pay the applicable Participating TO(s) any associated expediting costs. The Interconnection Customer shall be entitled to refunds, if any, in accordance with the GIA, for any expediting costs paid.

14.2.4 Limited Operation Study

14.2.4.1 Pursuant to Article 5.9 of the Large Generator Interconnection Agreement set forth in Appendices V, BB, CC, and EE, Generating Facilities may request a limited operation study. The Participating TO and/or the CAISO, as applicable, will, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. The Participating TO and the CAISO will permit the Interconnection Customer to operate the Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies. To the extent study assumptions change, the CAISO and Participating TO will update study results as needed.

14.2.4.2 The Generating Unit owner will provide the CAISO a \$10,000 deposit for the limited operation study with the request. Except as provided below, any limited operation study will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from when the CAISO receives all of the following: the Generating Unit owner's written approval of the limited operation study plan, technical data required to assess the request, and the \$10,000 deposit. If the limited operation study cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the

reasons why additional time is required.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

14.2.4.3 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and the Participating TO(s) in conducting the modification assessment. If the actual costs of the limited operation study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the limited operation study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any limited operation study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the assessment.

14.3 Network Upgrades

With the exception of LDNUs and ADNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the applicable Participating TO(s). Interconnection Customers may, at their discretion, select parties other than the applicable PTOs to construct certain LDNUs and ADNUs required by their Option (B) Generating Facilities that are not allocated TP Deliverability, if such LDNUs and ADNUs are eligible for construction by parties other than the applicable PTO pursuant to Section 24.5.2 of the CAISO Tariff. Such ADNUs and LDNUs will be incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1, and 36.11. Unless the Interconnection Customer elects construction by a party other than the applicable Participating TO, the applicable Participating TO(s) will be obligated to construct the LDNUs and ADNUs. This Section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrade(s) in accordance with the LGIA.

14.3.1 Initial Funding

Assigned Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Commercial Readiness Deposit or GIA Deposit 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 Current Cost Responsibility assigned to each Interconnection Customer(s). Current Cost Responsibility may be adjusted consistent with this RIS and up to the Interconnection Customer's Maximum Cost Responsibility, but the applicable Participating TO(s) shall be responsible for funding any capital costs for the Assigned Network Upgrades that exceed the Current Cost Responsibility assigned to the Interconnection Customer(s).

- (a) Where the funding responsibility for any RNUs, and LDNUs has been assigned to a single Interconnection Customer, the applicable Participating TO(s) shall invoice the Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, up to a maximum amount no greater than that

established by the Current Cost Responsibility assigned to each Interconnection Customer(s) for the RNUs or LDNUs, respectively.

- (b) Where the funding responsibility for an RNU or LDNU has been assigned to more than one Interconnection Customer in accordance with this RIS, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such Network Upgrades in accordance with their respective Current Cost Responsibilities. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to that Interconnection Customer.
- (c) Where the funding responsibility for an ADNU being constructed by one or more Participating TO has been assigned to more than one Option (B) Interconnection Customer, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such ADNUs based on their respective Current Cost Responsibilities.

Any permissible extension of the Commercial Operation Date of a Generating Facility will not alter the Interconnection Customer's obligation to finance its Assigned 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.

14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security

14.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

Interconnection Customers will be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Section 14.3.2.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (1) For RNUs, in accordance with the Interconnection Customer's cost responsibility assigned up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this RIS. Interconnection Customers will be entitled to repayment subject to the figure corresponding to their Commercial Operation Date.
- (2) For LDNUs, except for LDNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's Current Cost Responsibility.

- (3) Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for LDNUs or ADNUs.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

For Network Upgrades the Interconnection Customer funded but did not receive repayment, the Interconnection Customer will be eligible to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with CAISO Tariff Section 36.11 associated with those Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.

14.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase in accordance with the Interconnection Customer's Current Cost Responsibility assigned for the phase and subject to the limitations specified in Section 14.3.2.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the GIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the GIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA;
- (e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of Deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades

for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Interconnection Financial Security instruments to the date of commencement of repayment).

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer will be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this Section 14.3.2.2. If the GIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Section 14.3.2.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the GIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases provided that the party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Section 14.3.2.2 shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.2 ; or (2) any alternative payment schedule that associates the completion of Network Upgrades with the completion of particular phases and that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

14.3.2.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. The Interconnection Customer may assign such repayment rights to any person.

14.4 Special Provisions for Affected Systems, Other Affected PTOs

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected Participating TO(s), as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected Participating TO(s). If the affected entity is another Participating TO, the initial form of agreement will be the GIA, as appropriately modified.

14.4.1 Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs

Interconnection Studies will list separate cost estimates for facilities and Network Upgrades required on the interconnecting Participating TO and affected Participating TO's systems. These separate sums will produce a single, combined Maximum Cost Responsibility and a single, combined Maximum Cost Exposure for the Interconnection Customer. Current Cost Responsibilities for each Participating TO's facilities and Network Upgrades may be adjusted up to the Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure, as applicable.

The Interconnection Customer will post its Commercial Readiness Deposits and GIA Deposit to each Participating TO based on the separate Current Cost Responsibilities for facilities and Network Upgrades on their respective systems.

Each Participating TO will repay amounts received for Network Upgrades pursuant to this RIS. Reimbursement for Reliability Network Upgrades will be paid by each Participating TO but subject to a single, combined maximum based upon the Interconnection Customer's generating capacity, as described in Section 14.3.2. If the amount funded for the Reliability Network Upgrades exceeds this maximum, each Participating TO will repay the Interconnection Customer proportional to its share of the Interconnection Customer's Current Cost Responsibility for the Reliability Network Upgrades.

14.5 CAISO as an Affected System

The CAISO and Participating TOs whose system may be impacted by a proposed interconnection on another transmission provider's transmission system will cooperate with the transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to the CAISO Controlled Grid.

14.5.1 Applicability

This Section 14.5 outlines the duties of the CAISO and affected Participating TO when the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid. The interconnection customer will be eligible for repayment of amounts advanced for Network Upgrades consistent with Section 14.3.2.1.

14.5.2 Response to Notifications

When the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid, the CAISO must respond in writing within twenty (20) Business Days whether the Participating TO intends to conduct an Affected System Study.

By fifteen (15) Business Days after the CAISO responds with its affirmative intent to conduct an Affected System Study, the Participating TO will share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to

complete the Affected System Study.

Within five (5) Business Days of receipt of notification of Cluster Restudy, the Participating TO will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that the Participating TO intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If the Participating TO decides to delay the Affected System Study, it is not required to meet its obligations under Section 14 of this RIS until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If the Participating TO decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 14.5 of this RIS.

14.5.3 Affected System Queue Position

The CAISO must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position will be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the CAISO's Interconnection Customers, this Affected System Queue Position will be higher-queued than any Cluster that has not yet received its Cluster Study Report and will be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 14.5.7 of this RIS, the CAISO and Participating TO(s) will study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 14.5.7 of this RIS will be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades will be allocated among the Affected System Interconnection Customers in accordance with Section 14.5.9 of this RIS.

14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, the Participating TO will provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 11 or Appendix 12 to this RIS, as applicable, within ten (10) Business Days of the Participating TO sharing the schedule for the Affected System Study per Section 14.5.2 of this RIS.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) will compensate the Participating TO for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study will be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study will include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) will pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) calendar days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it will lose its Affected System Queue Position. The Participating TO will notify the CAISO and the Affected System Interconnection Customer's host transmission provider of such failure to pay.

14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

The Affected System Interconnection Customer(s) will execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to the Participating TO, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If the Participating TO notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 14.5.2 of this RIS, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If the Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, the Participating TO will notify the deficient Affected System Interconnection Customer, the CAISO, and the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer will cure the technical deficiency within ten (10) Business Days of receipt of the notice: provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer will lose its Affected System Queue Position.

14.5.6 Scope of Affected System Study

The Affected System Study will evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the CAISO Controlled Grid. The Affected System Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to the CAISO Controlled Grid; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to the CAISO Controlled Grid; and (iv) have no queue position but have executed a GIA or requested that an unexecuted GIA be filed with FERC. The CAISO and Participating TO have no obligation to study impacts of Affected System Interconnection Customers of which they are not notified.

The Affected System Study will consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, 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. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study will consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report will provide a list of

facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

14.5.7 Affected System Study Procedures

The CAISO and Participating TOs will use Clustering in conducting the Affected System Study and will use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. The Participating TO will complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s), the CAISO, and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) calendar days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, the Participating TO will notify Affected System Interconnection Customer as to the status of the Affected System Study. If the Participating TO is unable to complete the Affected System Study within the requisite time period, it will notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and will provide an estimated completion date with an explanation of the reasons why additional time is required. If the Participating TO does not meet the deadlines in this Section, the Participating TO will be subject to the financial penalties as described in Section 3.11 of this RIS. Upon request, the Participating TO will provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

The Participating TO must study an Affected System Interconnection Customer as Energy Only, regardless of the level of interconnection service that the Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

14.5.8 Meeting with the CAISO and Participating TO

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), the Participating TO, the CAISO, and the Affected System Interconnection Customer(s) will meet to discuss the results of the Affected System Study.

14.5.9 Affected System Cost Allocation

The Participating TO will allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 6.3.1 of this RIS.

14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

The Participating TO will tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 13 or 14 to this RIS, within thirty (30) calendar days of providing the Affected System Study Report. Within

ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. The Participating TO will execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). The Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, will result in the loss of its Affected System Queue Position.

14.5.11 Restudy

If restudy of the Affected System Study is required, the Participating TO will notify Affected System Interconnection Customer(s) and the CAISO in writing within thirty (30) calendar days of discovery of the need for restudy. Such restudy will take no longer than sixty (60) calendar days from the date of notice. Any cost of restudy will be borne by the Affected System Interconnection Customer(s) being restudied.

Section 15 Miscellaneous

15.1 Confidentiality

For the purposes of this Section 15.1, "Party" or "Parties" shall mean the CAISO, Participating TO(s), Interconnection Customer or any combination of the CAISO, Participating TO(s) or the Interconnection Customer.

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 Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Section 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.

These confidentiality provisions are limited to information provided pursuant to this RIS.

15.1.1 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 Section 15.1.6 of this RIS, 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 RIS. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

15.1.2 Release of Confidential Information

No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by FERC's Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. Part 358), or to Affected Systems, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section.

15.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

15.1.4 No Warranties

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

15.1.5 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 Parties under these procedures or its regulatory requirements.

15.1.6 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 any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties 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.

15.1.7 Remedies

Monetary damages are inadequate to compensate a Party for another Party's breach of its obligations under this Section 15.1. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this Section 15.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the breach of this Section 15.1, but shall be in addition to all other remedies available at law or in equity. Further, the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 15.1.

15.1.8 Disclosure to FERC, its Staff, or a State

Notwithstanding anything in this Section 15.1 to the contrary, and pursuant to 18 C.F.R. 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, 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 C.F.R. 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 Parties prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other applicable Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. 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.

15.1.9 Subject to the exception in Section 15.1.8, any Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this RIS or as a transmission service provider or a Balancing Authority 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 Parties in writing of the information it claims is confidential. Prior to any disclosures of another 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.

15.1.10 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).

15.1.11 The Participating TO or CAISO shall, at the 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.

15.2 Delegation of Responsibility

The CAISO and the Participating TOs may use the services of subcontractors as deemed appropriate to perform their obligations under this RIS. The applicable Participating TO or CAISO shall remain primarily liable to the Interconnection Customer for the performance of its respective subcontractors and compliance with its obligations of this RIS. 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.

15.3 [Not Used]

15.4 [Not Used]

15.5 Disputes

If an Interconnection Customer disputes withdrawal of its Interconnection Request under Section 3.8, the CAISO will forward any information regarding the disputed withdrawal received under Section 3.8 within one (1) Business Day to the GIDAP Executive Dispute Committee, consisting of the Vice President responsible for administration of this RIS, the CAISO Vice President responsible for customer affairs, and an additional Vice President. The GIDAP Executive Dispute Committee shall have five (5) Business Days to determine whether or not to restore the Interconnection Request. If the GIDAP Executive Dispute Committee concludes that the Interconnection Request should have been withdrawn, the Interconnection Customer may seek relief in accordance with the CAISO ADR Procedures.

All disputes, other than those arising from Section 3.8, arising out of or in connection with this RIS whereby relief is sought by or from the CAISO shall be settled in accordance with the CAISO ADR Procedures.

Disputes arising out of or in connection with this RIS not subject to the CAISO ADR Procedures shall be resolved as follows:

15.5.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the RIS, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the GIA and RIS.

15.5.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration,

each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 15.5, the terms of this Section 15.5 shall prevail.

15.5.3 Arbitration Decisions

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

15.5.4 Costs

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

15.5.5 Non-binding Alternative Dispute Resolution

If a Party has submitted a Notice of Dispute pursuant to Section 15.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) calendar days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 15.5 arbitration process, a Party may request that the CAISO engage in non-binding Alternative Dispute Resolution pursuant to this section by providing written notice to the CAISO. Conversely, either Party may file a request for non-binding Alternative Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the Section 15.5 arbitration process. The process in this Section 15.5.5 shall serve as an alternative to, and not a replacement of, the Section 15.5 arbitration process. Pursuant to this process, the CAISO must within thirty (30) calendar days of receipt of the request for non-binding Alternative Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) calendar days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the RIS and GIA and shall have no power to modify or change any provision of the RIS and GIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 15.5 arbitration, or in a Federal Power Act section 206

complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

15.6 Local Furnishing Bonds

15.6.1 Participating TOs that Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to a Participating TO that has financed facilities for the local furnishing of electric energy with Local Furnishing Bonds. Notwithstanding any other provisions of this , the Participating TO and the CAISO shall not be required to provide Interconnection Service to the Interconnection Customer pursuant to this and the GIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO.

15.6.2 Alternative Procedures for Requesting Interconnection Service

If a Participating TO determines that the provision of Interconnection Service requested by the Interconnection Customer would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO, it shall advise the Interconnection Customer and the CAISO within (30) calendar days of receipt of the Interconnection Request.

The Interconnection Customer thereafter may renew its request for the same interconnection Service by tendering an application under Section 211 of the Federal Power Act, in which case the Participating TO, within ten (10) calendar days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, and the CAISO and Participating TO shall provide the requested Interconnection Service pursuant to the terms and conditions set forth in this and the GIA.

15.7 Change in CAISO Operational Control

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection 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 deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the Participating TO has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has neither executed the GIA nor requested the filing of an unexecuted GIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

**Appendix 1 Interconnection Request
INTERCONNECTION REQUEST**

Provide one copy of this completed form pursuant to Section 7 of this Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with the CAISO Controlled Grid pursuant to the CAISO Tariff (check one):
 Fast Track Process.

 Queue Cluster process.
 Annual Deliverability Assessment pursuant to Section 9.
2. This Interconnection Request is for (check one):
 A proposed new Generating Facility.
 An increase in the generating capacity or a Material Modification to an existing Generating Facility.
3. Requested Deliverability Statuses are (check one):

On-Peak (for purposes of Net Qualifying Capacity):

 Full Capacity
 Partial Deliverability for ___ MW of electrical output
 Energy Only
4. The Interconnection Customer provides the following information:
 - a. Address or location, including the county, of the proposed new Generating Facility site or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name: _____

Project Location:
Street Address: _____
City, State: _____
County: _____
Zip Code: _____
GPS Coordinates: _____
 - b. Maximum net megawatt electrical output (as defined by section 2.c of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility;

Maximum net megawatt electrical output (MW): _____ or
Net Megawatt increase (MW): _____
 - c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen include nameplate MW for each);

<u>Technology</u>	<u>Nameplate</u>
___ Cogeneration	___ (MW)
___ Reciprocating Engine	___ (MW)
___ Biomass	___ (MW)
___ Steam Turbine	___ (MW)
___ Gas Turbine	___ (MW)
___ Wind	___ (MW)
___ Hydro	___ (MW)
___ Photovoltaic	___ (MW)
___ Combined Cycle	___ (MW)

___ Other (please describe):

General description of the equipment configuration (e.g. number, size, type, etc):

- d. Proposed In-Service Date (first date transmission is needed to the facility), Trial Operation date and Commercial Operation Date by month, day, and year and term of service (dates must be sequential); _____

Proposed Trial Operation Date: _____

Proposed Commercial Operation Date: _____

Proposed Term of Service (years): _____

- e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person (primary person who will be contacted);

Name: _____

Title: _____

Company Name: _____

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

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

- g. Interconnection Customer data (set forth in Attachment A)

The Interconnection Customer shall provide to the CAISO the technical data called for in Attachment A to this Interconnection Request. One (1) copy is required.

- h. Requested Interconnection Service Capacity (in MW) (if lower than the Generating Facility Capacity; may not exceed Generating Facility Capacity);

5. Applicable deposit amount made payable to California ISO. Send check to CAISO (see section 7 below for details) along with the:
- Interconnection Request for processing.
 - Attachment A (Interconnection Request Generating Facility Data).

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

California ISO
Attn: Grid Assets
P.O. Box 639014
Folsom, CA 95763-9014

Overnight address:
California ISO
Attn: Grid Assets
250 Outcropping Way
Folsom, CA 95630

7. Representative of the Interconnection Customer to contact:

[To be completed by the Interconnection Customer]

Name: _____

Title: _____

Company Name: _____

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

8. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Interconnection Request
Attachment A Generating Facility Data

GENERATING FACILITY DATA

Provide one copy of this completed form.

1. **Provide one set of original prints (no larger than 11" x 17") or soft copy on cd/flashdrive of the following:**

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

2. **Generating Facility Information**

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

3. **Synchronous Generator – General Information:**
(Please repeat the following for each generator model)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. Please attach a plot of generator terminal voltage versus field current that shows the air

gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

4. Excitation System Information

(Please repeat the following for each generator model)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 below or describe the specific excitation system.
 - (1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
 - (2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
 - (3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
 - (4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
 - (5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
 - (6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
 - (7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
 - (8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system?

5. Power System Stabilizer Information

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

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

6. Turbine-Governor Information

(Please repeat the following for each generator model)

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

A. Steam, gas or combined-cycle turbines:

- (1) List type of unit (Steam, Gas, or Combined-cycle): _____
- (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
- (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
Low pressure turbine or gas turbine: _____%
High pressure turbine or steam turbine: _____%

B. Hydro turbines:

- (1) Turbine efficiency at rated load: _____%
- (2) Length of penstock: _____ft
- (3) Average cross-sectional area of the penstock: _____ft²
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ft
- (5) Is the water supply run-of-the-river or reservoir: _____
- (6) Water flow rate at the typical maximum head: _____ft³/sec
- (7) Average energy rate: _____kW-hrs/acre-ft
- (8) Estimated yearly energy production: _____kW-hrs

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

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

 - (c) Other comments regarding the turbine governor system?

7. Induction Generator Data:

- A. Rated Generator Power Factor at rated load: _____
- B. Moment of Inertia (including prime mover): _____
- C. Do you wish reclose blocking? Yes ____, No ____
Note: Sufficient capacitance may be on the line now, or in the future, and the generator may self-excite unexpectedly.

7a Wind Generators

Number of generators to be interconnected pursuant to this Interconnection Request: _____
Average Site Elevation: _____ Single Phase _____ Three Phase _____

Field Volts: _____
 Field Amperes: _____
 Motoring Power (MW): _____
 Neutral Grounding Resistor (If Applicable): _____
 I22t or K (Heating Time Constant): _____
 Rotor Resistance: _____
 Stator Resistance: _____
 Stator Reactance: _____
 Rotor Reactance: _____
 Magnetizing Reactance: _____
 Short Circuit Reactance: _____
 Exciting Current: _____
 Temperature Rise: _____
 Frame Size: _____
 Design Letter: _____
 Reactive Power Required In Vars (No Load): _____
 Reactive Power Required In Vars (Full Load): _____
 Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

8. Generator Short Circuit Data

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

- X"1 – positive sequence subtransient reactance: _____ p.u.**
- X2 – negative sequence reactance: _____ p.u.**
- X0 – zero sequence reactance: _____

Generator Grounding (select 1 for each model):

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

9. Step-Up Transformer Data

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

10. Interconnection Facilities Line Data

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

Nominal Voltage: _____ kV
 Line Length: _____ miles
 Line termination Points: _____
 Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.

Phase Configuration. Vertical: _____, Horizontal: _____
 Phase Spacing: A-B: _____ ft., B-C: _____ ft., C-A: _____ ft.
 Distance of lowest conductor to Ground at full load and 40 C: _____ ° ft
 Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
 Attach Tower Configuration Diagram
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
 Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
 Line Charging (B/2): _____ p.u.**
 ** On 100-MVA and nominal line voltage (kV) Base

10a. For Wind/photovoltaic plants, provide collector System Equivalence Impedance Data Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R1): _____ p.u. ** (for entire line length of each collector circuit)
 Positive Sequence Reactance: (X1): _____ p.u.** (for entire line length of each collector circuit)
 Zero Sequence Resistance (R0): _____ p.u. ** (for entire line length of each collector circuit)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)
 Line Charging (B/2): _____ p.u.** (for entire line length of each collector circuit)
 ** On 100-MVA and nominal line voltage (kV) Base

11. Inverter-Based Machines

Number of inverters to be interconnected pursuant to this Interconnection Request: _____

Inverter manufacturer, model name, number, and version:

List of adjustable set points for the protective equipment or software:

Max design fault contribution current:

Harmonics Characteristics:

Start-up requirements:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

12. Load Flow and Dynamic Models:

Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model

from the General Electric PSLF Program Manual and provide the required input data. **For inverter based generating facilities, select the appropriate generator and control models from the General Electric PSLF Program Manual and provide the required input data. Provide a completed *.dyd file that contains the information specified in this section. One copy of this data should be provided on DVD, CD, or USB flash drive media.**

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

13. MODELS FOR NON-SYNCHRONOUS GENERATORS

For a non-synchronous Generating Facility, the Interconnection Customer will provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; and (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer's Generating Facility; A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities' control strategies but does not necessarily correspond to any generic library model. The Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from the Interconnection Customer that the model accurately represents the entire Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

GE PSLF	Description
pvd1	Distributed PV system model
der_a	Distributed energy resource model
regc_a	Generator/converter model
regc_b	Generator/converter model
wt1g	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt2g	Generator model for generic Type-2 wind turbines
wt2e	Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g
reec_a	Renewable energy electrical control model
reec_c	Electrical control model for battery energy storage system
reec_d	Renewable energy electrical control model
wt1t	Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)
wt1p_b	Generic wind turbine pitch controller for WTGs of Types 1 and 2

GE PSLF	Description
wt2t	Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)
wtgt_a	Wind turbine drive train model
wgga_a	Simple aerodynamic model
wtgp_a	Wind Turbine Generator Pitch controller
wtgq_a	Wind Turbine Generator Torque controller
wtgwo_a	Supplementary control model for Weak Grids
wgibfr_a	Inertial-base fast frequency response control
wtgp_b	Wind Turbine Generator Pitch controller
wtgt_b	Drive train model
repc_a	Power Plant Controller

14. Operating Assumptions

If applicable, include (1) the requested operating assumptions (*i.e.*, whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to its intended operation.

TABLE 1

TRANSFORMER DATA
 (Provide for each level of transformation)

UNIT _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA, OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

Percent exciting current at 100 % Voltage; _____ 110% Voltage _____

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

Appendix 2

[Intentionally Omitted]

Appendix 3

CLUSTER STUDY AGREEMENT FOR QUEUE CLUSTERS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the 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 the Interconnection Customer dated _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the CAISO Controlled Grid pursuant to Appendix KK to the CAISO Tariff; and

WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the CAISO Controlled Grid;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the CAISO's FERC-approved Resource Interconnection Standards in CAISO Tariff Appendix KK "RIS" or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies, including any accelerated Interconnection Study, in accordance with the CAISO Tariff.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified under the CAISO Tariff. The CAISO reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies.
- 5.0 [Not Used]
- 6.0 Consistent with the RIS and CAISO Tariff, the Interconnection Customer will provide deposits and pay its share of actual costs of applicable studies, including in excess of provided deposits. The CAISO and Participating TO will provide invoices and refunds on a timely basis required by the RIS and the CAISO Tariff.

Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Section 3.5.1 of the RIS.

Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the RIS.

- 7.0 Pursuant to Section 3.7 of the RIS, the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of the Interconnection Studies or other assessments to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 8.0 Substantial portions of technical data and assumptions used to perform the Cluster Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the Cluster Study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, 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.
- 9.0 [Not Used]
- 10.0 The CAISO and Participating TO(s) shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.
- 11.0 In accordance with Section 3.8 of the RIS, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.5.1 and 11.4 of the RIS.
- 12.0 This Agreement shall become effective on the date the CAISO notifies the Interconnection Customer that the Interconnection Request is complete pursuant to Section 3.5.1 of the RIS.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 15.5 of the RIS.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 15.1 of the RIS.

- 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 RIS or such Appendix to the RIS, 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, 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 Participating TO or CAISO. Any waiver of this Agreement shall, if requested, be provided in writing.

Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 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 **[Not Used]**
- 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 CAISO 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 Party has caused this Agreement to be duly executed by its duly authorized officers or agents on the day and year first above written.

[Insert name of the Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Appendix A

[Not Used]

Appendix B

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

THIS AGREEMENT is made and entered into this ___ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ organized and existing under the laws of the State of California, ("the CAISO "). Interconnection Customer and the CAISO 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 Transmission System; and

WHEREAS, the CAISO and Participating TO have completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested the CAISO and Participating TO to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Transmission System.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified will have the meanings indicated in the CAISO's FERC-approved RIS.

2.0 Interconnection Customer elects and the CAISO and Participating TO will cause an Interconnection Facilities Study consistent with Section 8.0 of this RIS to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study will be subject to the assumptions set forth in and the data provided with this Agreement, as set forth in this Appendix B.

4.0 The Interconnection Facilities Study Report (i) will provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) will address the short circuit, instability, and power flow issues identified in the Cluster Study.

5.0 Interconnection Customer will provide a Commercial Readiness Deposit per Section 8.1 of this RIS to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in the data form attached to this agreement.

6.0 Miscellaneous. The Interconnection Facilities Study Agreement will include standard

miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS and the GIA.

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

CAISO

By: _____

Title: _____

Date: _____

Interconnection Customer

By: _____

Title: _____

Date: _____

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

Generating Facility size (MW): _____

Provide two copies of this completed form and other required plans and diagrams in accordance with Section 8.1 of the RIS.

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

One set of metering is required for each generation connection to the new bus or existing CAISO Controlled Grid station. Number of generation connections: _____

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

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

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

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

What type of control system or PLC will be located at the 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 the Participating TO'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 the Participating TO or CAISO.

Is the Generating Facility in the Participating TO's service area?

Yes No

Local service provider for auxiliary and other power: _____

Point of Interconnection: _____

Please provide proposed schedule dates:

Environmental survey start: _____

Environmental impact report submittal: _____

Procurement of project equipment: _____

Begin Construction Date: _____

In-Service Date: _____

r

Trial Operation Date: _____

Commercial Operation Date: _____

Level of Deliverability: Choose one of the following:

_____ Energy Only

_____ Full 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.

The CAISO and Participating TO will complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed copy of this Interconnection Facilities Study Agreement.

Please provide any additional modification request pursuant to Section 6.7.2.2 of Appendix KK.

Appendix 4

AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS

This Agreement for the Allocation of Responsibilities With Regard to Generator Interconnection Procedures and Interconnection Study Agreements ("Agreement"), dated _____, is entered into between the California Independent System Operator Corporation ("CAISO") and [NAME OF PTO] _____ ("PTO"). The CAISO and PTO are jointly referred to as the "Parties" and individually, as a "Party."

WHEREAS, this Agreement will ensure an independent assessment of new Generating Facility impacts on the CAISO Controlled Grid and take advantage of the respective expertise of the Parties to facilitate efficient and cost effective Interconnection Study procedures in a manner consistent with the Federal Energy Regulatory Commission's ("FERC") July 1, 2005 Order (112 FERC ¶ 61,009), FERC's August 26, 2005 Order (112 FERC ¶ 61,231), and prior FERC Orders recognizing that Order No. 2003 did not allocate responsibilities between transmission owners and transmission providers for the provision of Interconnection Service and suggesting those parties enter into an agreement to allocate those responsibilities. Southwest Power Pool, Inc., 106 FERC ¶ 61,254 (2004).

NOW THEREFORE, in view of the respective responsibilities assigned to the Parties and the foregoing FERC orders, and the provisions of the CAISO's Generator Interconnection Procedures set forth in CAISO Tariff Appendix KK, the CAISO and PTO agree to the following allocation of responsibilities for a centralized Interconnection Study process under the direction and oversight of the CAISO:

1. DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the CAISO Tariff.

2. TERM OF AGREEMENT

This Agreement shall become effective upon the date specified in the first paragraph above and shall remain in effect until (1) terminated by all Parties in writing, or (2) with respect to the PTO, upon the termination of that entity's status as a PTO pursuant to the Transmission Control Agreement, as amended from time to time.

3. PROVISIONS FOR ALLOCATION OF RESPONSIBILITIES BETWEEN CAISO AND PTO

3.1 Interconnection Service: The Parties acknowledge that, as the transmission provider, the CAISO is responsible for reliably operating the transmission grid. The Parties also recognize that while the CAISO is a transmission provider under the CAISO Tariff, the CAISO does not own any transmission facilities, and the PTO owns, constructs, and maintains the facilities to which Generating Facilities are to be interconnected, and that the PTO may construct or modify facilities to allow the interconnection. While the Parties recognize that the CAISO will be responsible for conducting or causing to be performed Interconnection Studies and similar studies, the PTO will participate in these studies and conduct certain portions of studies, under the direction and oversight of, and approval by, the CAISO, as provided in this Agreement. The CAISO shall not enter into any Interconnection Study agreement with an Interconnection Customer that is contrary to these rights.

3.2 [INTENTIONALLY LEFT BLANK]

3.3 Transmission Owners' Right to Participation in Studies, Committees and Meetings:

3.3.1 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in any Interconnection Study or any other study conducted in connection with such request for Interconnection Service. "Participate" in this Section 3.3.1 means physically perform any study or portion thereof in connection with an Interconnection Request, under the direction and oversight of, and approval by, the CAISO pursuant to Section 3.4 of this Agreement; provide or receive input, data or other information regarding any study or portion thereof consistent with Section 3.4 of this Agreement; and, when any study or portion thereof in connection with an Interconnection Request is physically performed by an entity other than the PTO, perform activities necessary to adequately review or validate, as appropriate, any results of the study or portions thereof and provide recommendations.

3.3.2 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in all meetings expressly established pursuant to the CAISO . As appropriate, the PTO may participate in all other material or substantive communications in connection with an Interconnection Request.

3.4 Interconnection Study Responsibility Allocation: In complying with its responsibility for conducting or causing to be performed Interconnection Studies, the CAISO will assign responsibility for performance of portions of the Interconnection Studies to the PTO, under the direction and oversight of, and approval by, the CAISO, as set forth in Attachment A, except as specifically qualified as follows:

3.4.1 For any tasks specifically assigned to the PTO pursuant to Attachment A or otherwise mutually agreed upon by the CAISO and the PTO, the CAISO reserves the right, on a case-by-case basis, to perform or reassign to a mutually agreed upon and pre-qualified contractor such task only where: (a) the quality and accuracy of prior PTO Interconnection Study work product resulting from assigned tasks has been deemed deficient by the CAISO, the CAISO has notified the PTO pursuant to the notice provision of Section 4.15 of this Agreement in writing of the deficiency, and the deficiency has not been cured pursuant to Section 3.4.2 of this Agreement; (b) the timeliness of PTO Interconnection Study work product has been deemed deficient, and either (i) the CAISO has not been notified of the reasons and actions taken to address the timeliness of the work, or (ii) if notified, the stated reasons and actions taken are insufficient or unjustifiable and the PTO has not cured the deficiency pursuant to Section 3.4.2 of this Agreement; (c) the PTO has failed, in a mutually agreed upon timeframe, to provide the CAISO with information or data related to an Interconnection Request despite a written request by the CAISO, pursuant to Section 3.5 hereof, to do so, and such data is the responsibility of the PTO to provide to the CAISO, subject to Section 4.3 of this Agreement; (d) the PTO advises the CAISO in writing that it does not have the resources to adequately or timely perform the task according to the applicable timelines set forth in Attachment A; or (e) the estimated cost of the PTO performing the task has been determined in writing by the CAISO to significantly exceed the cost of the CAISO or mutually agreed upon contractor performing the task, inclusive of the costs that will be incurred by the PTO in exercising its review rights of the results of any such tasks performed by such third party(ies). If the CAISO deviates from the assignments set forth in Attachment A based on the foregoing factors, the CAISO will provide the PTO with a written explanation for the deviation and any associated reassignments of work. The PTO may contest the deviation pursuant

to the Dispute Resolution procedures set forth in Section 4.1 of this Agreement.

Task(s) may only be reassigned in accordance with this Section 3.4.1 where the PTO has been deemed to be deficient in relation to that (those) particular task(s).

3.4.2 Cure for reassigned Interconnection Study work

The CAISO shall not reassign task(s) without the opportunity to cure, as specified in Section 3.4.1 of this Agreement. The following actions will serve to cure the deficiencies and result in restoring the assignment(s) as provided in Attachment A:

- (a) The CAISO and PTO shall negotiate in good faith and agree to a corrective action plan proposed by the PTO, including a reasonably adequate cure period, and the corrective action plan is satisfactorily implemented.
- (b) The CAISO determines the deficiency is cured without an action plan.

3.4.3 Assessment of prior PTO Interconnection Study work shall only be based on work conducted under the process that becomes effective concurrent with the effective date of this Agreement. Further, assessment of prior PTO Interconnection Study work shall be based on work conducted no earlier than the eighteen (18) month period prior to the date of the CAISO notice of deviation from assignments set forth in Attachment A to this Agreement.

3.5 Information Exchange: The PTO shall provide the CAISO, subject to confidentiality requirements in Section 4.3 of this Agreement, with any documentation or data requested by the CAISO reasonably necessary to permit the CAISO to perform, review, validate and approve any Interconnection Study, or portion thereof, performed by the PTO. The CAISO shall provide the PTO with any documentation or data requested by the PTO, subject to confidentiality requirements in Section 4.3 of this Agreement, reasonably necessary to perform, review, and validate any Interconnection Study, or portion thereof.

3.6 Consistency with Provisions for Centralized Interconnection Study Process: The CAISO and PTO have determined that the processes and allocation of responsibilities in Section 3.4 of this Agreement ensure that impacts to the CAISO Controlled Grid are independently assessed and that the assignment of responsibilities minimizes handoffs, takes advantage of non-transferable skills, and promotes the efficiency and cost-effectiveness of the centralized Interconnection Study processes, consistent with Section 3.2.

3.7 Re-Studies: If any re-studies are required, the CAISO will confer with the PTO as to the need for a re-study. The CAISO will make the final determination regarding the need for a re-study, subject to dispute resolution procedures.

3.8 Use of Contractors: Nothing in this Agreement shall prevent either the CAISO or the PTO from using qualified, mutually agreed upon third party contractors to meet that Party's rights or obligations under this Agreement or the . To promote the efficiency of the process, the CAISO and PTO will collaborate to identify a list of the mutually agreed to qualified contractors available to the Parties.

3.9 Performance Standards: Each Party shall perform all of its obligations under the RIS, this Agreement, and any FERC approved Interconnection Study procedures that may be adopted by the CAISO to implement the RIS or this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice.

- 3.10** Recovery of Costs: In accordance with Section 3.5.1 of the RIS, the PTO shall recover all actual costs from the CAISO incurred in performing Interconnection Studies or portions thereof assigned to it by the CAISO, including all costs incurred in exercising its right to review, and make recommendations on, Interconnection Studies or portions thereof performed by the CAISO and/or contractors under Section 3.8 of this Agreement.

4 GENERAL TERMS AND CONDITIONS

- 4.1** Dispute Resolution: In the event any dispute regarding the terms, conditions, and performance of this Agreement is not settled informally, the Parties shall follow the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff.
- 4.2** Liability: No Party to this Agreement shall be liable to any other Party for any direct, indirect, special, incidental or consequential losses, damages, claims, liabilities, costs or expenses (including attorneys fees and court costs) arising from the performance or non-performance of its obligations under this Agreement regardless of the cause (including intentional action, willful action, gross or ordinary negligence, or force majeure); provided, however, that a Party may seek equitable or other non-monetary relief as may be necessary to enforce this Agreement and that damages for which a Party may be liable to another Party under another agreement will not be considered damages under this Agreement.
- 4.3** Confidentiality: Confidential Information shall be treated in accordance with Section 14.1 of the RIS.
- 4.4** 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.
- 4.5** 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.
- 4.6** 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, Attachment, or Appendix means such Article or Section of this Agreement or such Attachment or Appendix to this Agreement, or such Section of the or such Appendix to the , as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section; (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".
- 4.7** Entire Agreement: This Agreement, including all Attachments hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and

supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.

- 4.8** 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.
- 4.9** 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 a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing. Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 4.10** 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.
- 4.11** 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.
- 4.12** Modification by the Parties: The Parties may amend this Agreement and any Appendices to this Agreement only (1) by mutual agreement of the Parties by a written instrument duly executed by the Parties, subject to FERC approval or (2) upon the issuance of a FERC order, pursuant to Section 206 of the Federal Power Act. It is the Parties' intent that FERC's right to change any provision of this Agreement shall be limited to the maximum extent permissible by law and that any such change, if permissible, shall be in accordance with the Mobile-Sierra public interest standard applicable to fixed rate agreements. *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956). Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations. Notwithstanding the foregoing, Attachment B (Notices) may be modified as set forth in Section 4.15 of this Agreement, and the CAISO and the PTO may from time to time mutually agree to deviate from Attachment A in accordance with the provisions of this Agreement, however, such deviation shall be subject to Section 4.9 of this Agreement and not considered a course of dealing.
- 4.13** 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.
- 4.14** Assignment: This Agreement may be assigned by a Party only with the written consent

of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties 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. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

4.15 Notices: Any notice, demand, or request provided in this Agreement, or served, given, or made in connection with it, will be in writing and deemed properly served, given, or made if delivered in person, transmitted by facsimile, or sent by United States mail, postage prepaid, to the persons specified in Attachment B hereto unless otherwise provided in this Agreement. Any Party may at any time, by notice to all other Parties, change the designation or address of the person specified in Attachment B as the person who receives notices pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[NAME OF PTO]

By: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT B
CONTACTS FOR NOTICES
[Section 4.15]

California ISO

Manager, Transmission Engineering
250 Outcropping Way
Folsom, CA 95630
Phone: 916.351.2104
Fax: 916.351.2264

[NAME OF PTO]

[Address of PTO]

Appendix 5

Schedule for Release and Review of Per Unit Costs

SCHEDULE FOR RELEASE AND REVIEW OF PER UNIT COSTS

Line	Schedule for the Release and Review of Per Unit Costs	Anticipated Calendar Date(s)
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
	Annual Review, Update, and Posting of Per Unit Costs	
<input type="checkbox"/>	PTOs to review and update their per unit costs.	June – September
<input type="checkbox"/>	PTOs to provide their updated per unit costs to the CAISO for CAISO review and posting to the CAISO Website.	First week of October
<input type="checkbox"/>	CAISO to review and post the PTO per unit costs to the CAISO Website for stakeholder review.	Third week of October
<input type="checkbox"/>	Provide two weeks for stakeholders to review the posted per unit costs.	First week of November
<input type="checkbox"/>	CAISO to schedule and conduct a one-day stakeholder meeting in November to discuss the posted per unit costs with stakeholders.	Second week of November
<input type="checkbox"/>	Provide two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.	First week of December
<input type="checkbox"/>	Provide one week for CAISO and PTOs to review and address stakeholder comments.	Second week of December
<input type="checkbox"/>	Provide three weeks following the stakeholder meeting for PTOs to review, update as needed, and finalize their per unit costs.	Third week of December
<input type="checkbox"/>	PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.	Third week of December
<input type="checkbox"/>	CAISO to review and post the PTOs' final per unit costs to the CAISO Website.	Fourth week of December
<input type="checkbox"/>	Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.	Fourth week of December

Appendix 6
[Intentionally Omitted]

Appendix 7

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Participating TO ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Resource Interconnection Standards (RIS). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____
Electric Service Company: _____
Account Number: _____
Inverter Manufacturer: _____ Model _____
Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts) _____
Single Phase _____ Three Phase _____
System Design Capacity: _____ (kW) _____ (kVA) _____
Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell
Turbine Other _____
Energy Source: Solar Wind Hydro Diesel Natural Gas
Fuel Oil Other (describe) _____
Is the equipment UL1741 Listed? _____ Yes _____ No _____
If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Appendices 9 and 10 of the Generator Interconnection Procedures (), or the Participating TO has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___ No___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City _____ State _____ ZIP: _____

Fax: _____

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Participating TO (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

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

7.0 Insurance

The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

- 9.1 By the Customer
 - By providing written notice to the Company.
- 9.2 By the Company
 - If the Small Generating Facility fails to operate for any consecutive 12-month period or the Customer fails to remedy a violation of these Terms and Conditions.
- 9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Appendix 8

[intentionally omitted]

Appendix 9

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Appendix 10

Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in Appendix 9, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

APPENDIX 11

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20___, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer), and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO), and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customer, the CAISO, and the Participating TO each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 the Participating TO will coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. the CAISO reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study will provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer will provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, the Participating TO will charge, and Affected System Interconnection Customer will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

{Insert name of the CAISO }

By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

**Attachment A to Appendix 11
Two-Party Affected System Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customer and the Participating TO }

**APPENDIX 12
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO); and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customers, the CAISO, and the Participating TO each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 the Participating TO will coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. the Participating TO reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study will provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers will each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, the Participating TO will charge, and Affected System Interconnection Customers will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

By: _____ By: _____
 Title: _____ Title: _____
 Date: _____ Date: _____

{Insert name of the CAISO }

By: _____ By: _____
 Title: _____ Title: _____
 Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
 Title: _____
 Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
 Title: _____
 Date: _____

Project No. _____

**Attachment A to Appendix 12
Multiparty Affected System Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY**

The Affected System Study will be based upon the following assumptions:
{Assumptions to be completed by Affected System Interconnection Customers and the Participating TO }

**APPENDIX 13
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). Affected System Interconnection Customer and the Participating TO each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

**ARTICLE 1
DEFINITIONS**

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

**ARTICLE 2
TERM OF AGREEMENT**

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customer for the Participating TO's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to the Participating TO under this Agreement. No termination

of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer by the Participating TO for any such damages, including costs and expenses, incurred by the Participating TO as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by the Participating TO, Affected System Interconnection Customer will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. The Participating TO will 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 Affected System Interconnection Customer will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer will be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3 CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 The Participating TO Obligations. The Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. The Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to the Participating TO written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, the Participating TO will obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer will be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to the Participating TO of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify Affected System Interconnection Customer. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. The Participating TO will also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. The Participating TO will, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or the Participating TO, the Participating TO will, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The

Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customer has suspended construction pursuant to Article 3.1.2. Affected System Interconnection Customer may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If the Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Affected System Network Upgrade(s). Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customer will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customer will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customer with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest,

abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to the Participating TO, the Participating TO will promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or which the Participating TO may be entitled with respect to such payment. Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: The Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to the Participating TO under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. The Participating TO and Affected System Interconnection Customer will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, the Participating TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which Affected System Interconnection Customer may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for

installing the Affected System Network Upgrade(s), Affected System Interconnection Customer will provide the Participating TO, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO will refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5 BREACH, CURE AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement will include the:

- (a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 the Participating TO Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

(a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by the Participating TO, Affected System Interconnection Customer will reimburse the Participating TO for any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. the Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid the Participating TO for any or all of such costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, the Participating TO will convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

8.1 Confidentiality. Confidential Information will include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure,

publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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. Neither Party, however, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Party to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability

organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9 INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party will make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense will have the right, during normal business hours, and upon prior reasonable notice to the Participating TO, to audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10 NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To the Participating TO:

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

To the Participating TO:

To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11 MISCELLANEOUS

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

the Participating TO
{the Participating TO}

By: _____
Name: _____
Title: _____

Affected System Interconnection Customer
{Affected System Interconnection Customer}

By: _____
Name: _____
Title: _____

Project No. _____

**Attachment A to Appendix 13
Two-Party Affected System Facilities Construction Agreement**

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: the Participating TO Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer’s Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer’s payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

**Attachment B to Appendix 13
Two-Party Affected System Facilities Construction Agreement**

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {the Participating TO} and {Affected System Interconnection Customer}, dated _____, 20__.

On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. the Participating TO confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{the Participating TO Representative}

**Attachment C to Appendix 13
Two-Party Affected System Facilities Construction Agreement**

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

**Exhibit A1
the Participating TO Site Map**

**Exhibit A2
Site Plan**

**Exhibit A3
Affected System Network Upgrade(s) Plan & Profile**

**Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)**

	Location	Facilities to Be Constructed by the Participating TO	Estimate in Dollars
		Total:	

**APPENDIX 14 TO RIS
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). Affected System Interconnection Customers and the Participating TO each may be referred to as a "Party" or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

**ARTICLE 1
DEFINITIONS**

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

**ARTICLE 2
TERM OF AGREEMENT**

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customers for the Participating TO's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in

Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to the Participating TO under this Agreement. No termination of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer(s) by the Participating TO for any such damages, including costs and expenses incurred by the Participating TO as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers will not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. The Participating TO will not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for the Participating TO to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by the Participating TO, each Affected System Interconnection Customer whose participation in this Agreement is terminated will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers will be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. the Participating TO will 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 Affected System Interconnection Customers will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer will be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers will be adjusted as necessary.

ARTICLE 3 CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 The Participating TO Obligations. the Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. the Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to the Participating TO written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or

orders, the Participating TO will obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers will be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify all other Parties. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. the Participating TO will also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. the Participating TO will, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers will be collectively responsible

for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or the Participating TO, the Participating TO will, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, each Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount each Affected System Interconnection Customer paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customers will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request

of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customers will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customers with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to the Participating TO, the Participating TO will promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or to which the Participating TO may be entitled with respect to such payment. Each Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: the Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to the Participating TO under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. the Participating TO and such Affected System Interconnection Customer(s) will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, the Participating

TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which such Affected System Interconnection Customer(s) may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer(s) to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 SECURITY, BILLING, AND PAYMENTS

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer will provide the Participating TO, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. the Participating TO will refund, with interest

(calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5 BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement will include the:

- (a) Failure to pay any amount when due;
- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;
- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or
- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of the Participating TO. The Participating TO may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. The Participating TO must notify all Parties that it will exercise this option within thirty (30) days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 TERMINATION OF AGREEMENT

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 Termination and Removal. Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 the Participating TO Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

- (a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);
- (b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,
- (c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by the Participating TO, each Affected System Interconnection Customer will reimburse the Participating TO for its share of any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. The Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid the Participating TO for any or all of such costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, the Participating TO will convey and make

available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

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

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII,

each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the Breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 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 Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Parties to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9 INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party will make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in

accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to the Participating TO, audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 10 NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To the Participating TO:

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

To the Participating TO:

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

ARTICLE 11 MISCELLANEOUS

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

the Participating TO
{the Participating TO}

By: _____
Name: _____
Title: _____

Affected System Interconnection Customer
{Affected System Interconnection Customer}

By: _____
Name: _____
Title: _____

Project No. _____

Affected System Interconnection Customer
{Affected System Interconnection Customer}

By: _____
Name: _____
Title: _____

Project No. _____

**Attachment A to Appendix 14
 Multiparty Affected System Facilities Construction Agreement**

**AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
 CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE**

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: the Participating TO Construction Activities

MILESTONE NUMBER	DESCRIPTION	START DATE	END DATE

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

MILESTONE NUMBER	DESCRIPTION	DATE

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 ____._%
Affected System Interconnection Customer 2 ____._%
Affected System Interconnection Customer N ____._%

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 14
Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customers in substantially the form following:

{Date}

{Affected System Interconnection Customers Addresses}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {the Participating TO} and {Affected System Interconnection Customers}, dated _____, 20____.

On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. the Participating TO confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{the Participating TO Representative}

**Attachment C to Appendix 14
Multiparty Affected System Facilities Construction Agreement**

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

**Exhibit A1
the Participating TO Site Map**

**Exhibit A2
Site Plan**

**Exhibit A3
Affected System Network Upgrade(s) Plan & Profile**

**Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)**

	Location	Facilities to Be Constructed by the Participating TO	Estimate in Dollars
		Total:	

Appendix LL
Large Generator Interconnection Agreement
for Interconnection Requests Processed under the Resource Interconnection Standards
(Appendix KK to the CAISO Tariff)

Appendices

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Appendix H Interconnection Requirements for an Asynchronous Generating Facility

Appendix I Operating Assumptions for Generating Facility

LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), _____, a corporation organized and existing under the laws of the State of California ("**Participating TO**"), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO"). Interconnection Customer, Participating TO, and CAISO each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, CAISO exercises Operational Control over the CAISO Controlled Grid; and

WHEREAS, the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and

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

WHEREAS, Interconnection Customer, Participating TO, and CAISO have agreed to enter into this LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO's Transmission System;

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

When used in this LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

Article 1. Definitions

ADNU shall mean Area Delivery Network Upgrade.

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 CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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.

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 Standards shall mean the requirements and guidelines of NERC, the Electric Reliability Organization, and the Balancing Authority Area of the Participating TO's Transmission System to which the Generating Facility is directly connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

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

Area Off-Peak Constraints shall mean a transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

Asynchronous Generating Facility shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.

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

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

Base Case shall mean the base case power flow, short circuit, and stability databases used for the Interconnection Studies.

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

Breaching Party shall mean a Party that is in Breach of this LGIA.

Business Day shall mean Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid shall mean the system of transmission lines and associated facilities of

the parties to the Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Commercial Operation shall mean the status of an Electric Generating Unit or project phase at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of an Electric Generating Unit or project phase shall mean the date on which the Electric Generating Unit or project phase at the Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to this LGIA, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Electric Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Electric Generating Units or project phases.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

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, subject to Article 22.1.2.

Current Cost Responsibility (CCR) shall mean the Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's Commercial Readiness Deposit and GIA Deposit requirements, as applicable.

Deliverability shall mean (1) The annual Net Qualifying Capacity 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. (2) The annual Maximum Import Capability of an Intertie which specifies the amount of resource adequacy capacity measured in MW, that load-serving entities collectively can procure from imports at that Intertie to meet their resource adequacy requirements.

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

Distribution System shall mean those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which this LGIA becomes effective upon execution by all

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.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

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

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

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

General Reliability Network Upgrade (GRNU) shall mean Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

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

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one Generating Unit for the production and/or storage for later injection of electricity.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) shall mean the CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in CAISO Tariff Appendix DD.

Generator Interconnection Study Process Agreement (GISPA) shall mean the pro forma agreement between the CAISO and the Interconnection Customer for conducting Interconnection Studies for a proposed Generating Facility under Appendixes Y and DD.

GIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts 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 the Interconnection Customer, CAISO, Participating TO, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which an Electric Generating Unit 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 Participating TO’s Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this LGIA, 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 Participating TO’s Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Participating TO’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 Participating TO’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades), as identified in the Cluster Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the RIS (Appendix KK).

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the RIS.

Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the CAISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

Interconnection Reliability Network Upgrades (IRNU) shall mean Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to Appendix KK, in accordance with Section 25.1 of the CAISO Tariff.

Interconnection Service shall mean the service provided by the Participating TO and CAISO associated with interconnecting the Interconnection Customer's Generating Facility to the Participating TO's Transmission System and enabling the CAISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this LGIA, the Participating TO's Transmission Owner Tariff, and the CAISO Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

IRS shall mean the Internal Revenue Service.

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

LDNU shall mean Local Delivery Network Upgrades.

Local Deliverability Constraint shall mean a transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade shall mean a transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints shall mean a transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties.

Material Modification shall mean a modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position.

Maximum Cost Exposure (MCE) shall mean the sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Interconnection Studies.

Maximum Cost Responsibility (MCR) shall mean the sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from Interconnection Facilities Study, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer or a third party pursuant to Article 5.1.5 of this LGIA, Section 14.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Metering Equipment shall mean all metering equipment installed or to be installed for measuring the output of the Generating Facility pursuant to this LGIA 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.

Net Scheduled Generating Unit shall mean an Electric Generating Unit identified in a Net Scheduled PGA operated as a single unit such that the energy bid or self-schedule with the CAISO is the net value of the aggregate electrical net output of the Electric Generating Unit and the self-provided load.

Net Scheduled PGA shall mean a Net Scheduled Participating Generator Agreement specifying the special provisions for the operating relationship between a Net Scheduled Generating Unit and the CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO Tariff.

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

Off-Peak Deliverability Constraints shall mean a transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades shall mean Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operational Control shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Option (A) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Option (B) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the CAISO Controlled Grid. Participating TO Delivery Network Upgrades can be either ADNU or LDNU.

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

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and Electric Reliability Organization practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Electric Reliability Organization rating. Participating TO's Reliability Network Upgrades do not include any Participating TO's Delivery Network Upgrades.

Participating TO's Transmission System shall mean the facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Party or Parties shall mean the Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Phased Generating Facility shall mean a Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this LGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Generating Facility.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) shall mean Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a

Party under this LGIA, 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.

RNU shall mean Reliability Network Upgrades.

Reliability Network Upgrades (RNU) shall mean the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) shall mean Appendix KK to the CAISO Tariff.

Scoping Meeting shall mean the meeting among representatives of the Interconnection Customer, the applicable Participating TO(s), and the CAISO conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this GIDAP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that the Interconnection Customer may construct without affecting day-to-day operations of the CAISO Controlled Grid or Affected Systems during their construction. The Participating TO, the CAISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA. If the CAISO, the Participating TO, and the Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the CAISO or Participating TO must provide the Interconnection Customer a written technical explanation outlining why it does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service Capacity established herein, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service Capacity at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, that protects (1) the Participating TO's Transmission System, Participating TO's Interconnection Facilities, CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or

other electrical system disturbances occurring on the CAISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems or on other delivery systems or other generating systems to which the CAISO Controlled Grid is directly connected.

TP Deliverability shall mean the capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

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

Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an Energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty shall mean the penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Article 2. Effective Date, Term and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by all Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. The CAISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

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

2.3 Termination Procedures.

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

2.3.2 Default. A Party may terminate this LGIA in accordance with Article 17.

2.3.3 Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16, if applicable.

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

2.4 Termination Costs. Immediately upon the other Parties' receipt of a notice of the termination of this LGIA pursuant to Article 2.3 above, the CAISO and the Participating TO will determine the total cost responsibility of the Interconnection Customer. If, as of the date of the other Parties'

receipt of the notice of termination, the Interconnection Customer has not already paid its share of Network Upgrade costs, as set forth in Appendix G to this LGIA, the Participating TO will liquidate the Interconnection Customer's GIA Deposit associated with its cost responsibility for Network Upgrades, in accordance with Section 3.8 of the GIDAP.

The Interconnection Customer will also be responsible for all costs incurred or irrevocably committed to be incurred in association with the construction of the Participating TO's Interconnection Facilities (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other such expenses, including any Distribution Upgrades for which the Participating TO or CAISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already reimbursed the Participating TO and the CAISO for costs incurred to construct the Participating TO's Interconnection Facilities, the Participating TO will liquidate the Interconnection Customer's GIA Deposit associated with the construction of the Participating TO's Interconnection Facilities, in accordance with Section 3.8 of the GIDAP. If the amount of the GIA Deposit liquidated by the Participating TO under this Article 2.4 is insufficient to compensate the CAISO and the Participating TO for actual costs associated with the construction of the Participating TO's Interconnection Facilities contemplated in this Article, any additional amounts will be the responsibility of the Interconnection Customer, subject to the provisions of Section 3.8 of the GIDAP. Any such additional amounts due from the Interconnection Customer beyond the amounts covered by its GIA Deposit will be due to the Participating TO immediately upon termination of this LGIA in accordance with Section 3.8 of the GIDAP.

If the amount of the GIA Deposit exceeds the Interconnection Customer's cost responsibility under Section 3.8 of the GIDAP, any excess amount will be released to the Interconnection Customer in accordance with Section 3.8 of the GIDAP.

- 2.4.1** Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.
- 2.4.2** The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or

other disposition or retirement of such materials, equipment, or facilities.

- 2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings and CAISO Tariff Compliance

- 3.1 Filing.** The Participating TO and the CAISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the Participating TO and CAISO with respect to such filing and to provide any information reasonably requested by the Participating TO or CAISO needed to comply with applicable regulatory requirements.
- 3.2 Agreement Subject to CAISO Tariff.** The Interconnection Customer will comply with all applicable provisions of the CAISO Tariff, including the GIDAP.
- 3.3 Relationship Between this LGIA and the CAISO Tariff.** With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the CAISO Tariff and dictates rights and obligations between the CAISO and the Participating TO or the CAISO and the Interconnection Customer, the CAISO Tariff shall govern.
- 3.4 Relationship Between this LGIA and the Net Scheduled PGA.** With regard to the rights and obligations of a Net Scheduled Generating Unit that has entered into a Net Scheduled PGA with the CAISO and has entered into this LGIA, if and to the extent a matter is specifically addressed by a provision of the Net Scheduled PGA that is inconsistent with this LGIA, the terms of the Net Scheduled PGA shall govern.

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Participating TO's Transmission System and be eligible to deliver the Large Generating Facility's output using the available capacity of the CAISO Controlled Grid. To the extent the Interconnection Customer wants to receive Interconnection Service, the Participating TO shall construct facilities identified in Appendices A and C that the Participating TO is responsible to construct.

Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the CAISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on the CAISO Controlled Grid, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the CAISO Tariff

in the same manner as all other resources. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

- 4.2 Provision of Service.** The Participating TO and the CAISO shall provide Interconnection Service for the Large Generating Facility.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the CAISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission service under the CAISO Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the GIDAP, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the GIDAP. In the event that the Interconnection does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this LGIA as Energy Only Deliverability Status.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the CAISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.

- 5.1 Options.** Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option, Alternate Option, or, if eligible, Merchant Option, set forth below, Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, the Interconnection Customer shall indicate whether it elects the Option to Build set forth in Article 5.1.3 below. If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, they shall so notify the Interconnection Customer within thirty (30) calendar days. Upon receipt of the notification that the Interconnection Customer's designated dates are not acceptable to the CAISO and Participating TO, the Interconnection Customer shall notify the CAISO and Participating TO within thirty (30) calendar days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.
- 5.1.1 Standard Option.** The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution

Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Participating TO reasonably expects that it will not be able to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the specified dates, the Participating TO shall promptly provide written notice to the Interconnection Customer and the CAISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

- 5.1.2 Alternate Option.** If the dates designated by the Interconnection Customer are acceptable to the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities by the designated dates.

If the Participating TO subsequently fails to complete the Participating TO's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; the Participating TO shall pay the Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by the Interconnection Customer shall be extended day for day for each day that the CAISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all the Participating TO's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to the CAISO and Participating TO an agreement regarding responsibilities and payment for the construction of Participating TO's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The Participating TO, CAISO, and the Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, the Interconnection Customer shall have no right to construct Network Upgrades under this option.

- 5.1.4 Negotiated Option.** If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, the Parties shall in good faith attempt to negotiate terms and conditions, including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3. If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), the Participating TO shall assume responsibility for the design, procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this LGIA, an Interconnection Customer having an Option (B) Generating Facility may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such LDNU and ADNU will be constructed and incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11

5.2 General Conditions Applicable to Option to Build. If the Interconnection Customer assumes responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, or assumes responsibility for any stand-alone task, such as telecommunications, environmental, or real-estate related work:

(1) within six (6) months of the execution of this LGIA, or at a later date agreed to by the Parties, the Interconnection Customer will submit to the CAISO and the Participating TO a milestone schedule for the design, procurement, and construction of the Stand Alone Network Upgrades, or any stand-alone task assumed by the Interconnection Customer. The milestone schedule will be required to support the Interconnection Customer's Commercial Operation Date, and any Appendix B Milestones will be amended to include the milestone schedule for the Stand Alone Network Upgrades;

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

(3) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which the Participating TO would be subject in the engineering, procurement or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(4) the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the CAISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(5) prior to commencement of construction, the Interconnection Customer shall provide to the Participating TO, with a copy to the CAISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from the Participating TO;

(6) at any time during construction, the Participating TO shall have the right to gain unrestricted access to the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(8) the Interconnection Customer shall indemnify the CAISO and Participating TO for claims arising from the Interconnection Customer's construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(9) The Interconnection Customer shall transfer control of the Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the CAISO;

(10) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;

(11) the Participating TO shall accept for operation and maintenance the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(12) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by the Participating TO to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by the Participating TO.

(13) If the Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, the Interconnection Customer shall pay the Participating TO the agreed upon amount of \$_____ for Participating TO to execute the responsibilities enumerated to it under Article 5.2. The Participating TO will invoice the Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

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

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades for which the Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Participating TO to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and

impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the CAISO and/or Participating TO, action or inaction by the CAISO, or any cause beyond the Participating TO's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

In no event shall the CAISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.

- 5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Electric Reliability Organization, and the provisions of Section 4.6.5.1 of the CAISO Tariff. The CAISO reserves the right to establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible. The CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this Article 5.4 shall apply to Asynchronous Generating Facilities in accordance with Appendix H.
- 5.5 Equipment Procurement.** If responsibility for construction of the Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the Participating TO, then the Participating TO shall commence design of the Participating TO's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:
- 5.5.1** The CAISO, in coordination with the applicable Participating TO(s), has completed the Interconnection Facilities Study pursuant to the applicable Generator Interconnection Study Process Agreement or other applicable study process agreement;
 - 5.5.2** The Participating TO has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.5.3** The Interconnection Customer has provided security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** The Participating TO shall commence construction of the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Participating TO's Interconnection Facilities and Network Upgrades;
- 5.6.3** The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7** **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and CAISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8** **Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9** **Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and CAISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10** **Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.
- 5.10.1** **Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** In addition to the Interconnection Customer's responsibility to submit technical data with its Interconnection Request as required by Section 3.5.1 of the GIDAP, the Interconnection Customer shall submit all remaining necessary specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. The Participating TO and the CAISO shall review such specifications pursuant to this LGIA and the GIDAP to ensure that the Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the CAISO and comment

on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.

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

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

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required

or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** Participating TO and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorization that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** The Interconnection Customer may request the Participating TO to construct, and the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** The Interconnection Customer may request to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the Interconnection Facilities Study as common to multiple generating facilities. Interconnection Customers seeking to suspend construction will provide the CAISO and Participating TO a request for assessment pursuant to Section 6.7.2 of the GIDAP, a modification assessment deposit, and an anticipated end date of the suspension. Interconnection Customers may request a suspension for the maximum amount of time in lieu of providing an anticipated end date. The CAISO and Participating TO will approve suspension requests where:
- (a) the Participating TO's electrical system and the CAISO Controlled Grid can be left in a safe and reliable condition in accordance with Good Utility Practice, the Participating TO's safety and reliability criteria, and Applicable Reliability Standards; and
 - (b) the CAISO and Participating TO determine the suspension will not result in a Material Modification.

During suspension, the Interconnection Customer may request to extend or shorten their suspension period, consistent with the maximum period provided in this Article. The CAISO and Participating TO will approve such requests where they meet criteria (a) and (b), above. Requests to extend or shorten extensions will require a new modification assessment request and deposit. The Interconnection Customer shall be responsible for all reasonable and necessary costs for suspension for which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- (i) generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request;
- (ii) generating facilities which are the subject of Interconnection Requests within the Interconnection Customer's queue cluster; and
- (iii) generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Interconnection Facilities Study Report is issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this Article.

The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA in time to ensure that the new projected Commercial Operation Date for the full Generating Facility Capacity of the Large Generating Facility is no more than three (3) years from the Commercial Operation Date identified in Appendix B hereto, this LGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this LGIA. The suspension period shall begin on the date the Interconnection Customer provides in its request, if approved. Ninety (90) days before the anticipated end date of the suspension, the Participating TO and the CAISO will tender an amended draft LGIA with new construction milestones. The Parties agree to negotiate the amended draft LGIA in good faith such that it can be executed by the end of the suspension.

Interconnection Customer subject to Section 8.9.2.2 of Appendix DD may not request suspension.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by the Interconnection Customer to the Participating TO for the installation of the Participating TO's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as a refundable advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS

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

At the Participating TO's request, the Interconnection Customer shall provide the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. The Participating TO represents and covenants that the cost of the Participating TO's Interconnection Facilities paid for by the Interconnection Customer without the possibility of refund or credit will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequence of Current Tax Liability Imposed Upon the Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless the Participating TO from the cost consequences of any current tax liability imposed against the Participating TO as the result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by the Participating TO. The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation; provided, however, that the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

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

5.17.4 Tax Gross-Up Amount. The Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that the Interconnection Customer will pay the Participating TO, in addition to the amount

paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on the Participating TO ("Current Taxes") on the excess of (a) the gross income realized by the Participating TO as a result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Participating TO to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

5.17.5 Private Letter Ruling or Change or Clarification of Law. At the Interconnection Customer's request and expense, the Participating TO shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by the Interconnection Customer to the Participating TO under this LGIA are subject to federal income taxation. The Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of the Interconnection Customer's knowledge. The Participating TO and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.

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

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

5.17.7 Contests. In the event any Governmental Authority determines that the Participating TO's receipt of payments or property constitutes income that is subject to taxation, the Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. The Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

The Interconnection Customer shall pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.

At any time during the contest, the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding paragraph. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

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

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by the Interconnection Customer to the Participating TO for such taxes which the Participating TO did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by the Interconnection Customer to the date the Participating TO refunds such payment to the Interconnection Customer, and

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

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

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

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Parties' tax status. Nothing in this LGIA is intended to adversely affect the CAISO's or any Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. The Interconnection Customer or the Participating TO may undertake

modifications to its facilities, subject to Section 25.1(c) and Section 25 of the CAISO Tariff if the Interconnection Customer has achieved its Commercial Operation Date, and subject to Section 6.7.2 of Appendix KK if it has not.

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

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

5.19.3 Modification Costs. The Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that the Participating TO makes to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under the CAISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5.20 Annual Reassessment Process. In accordance with Section 7 of the GIDAP, the CAISO will perform an annual reassessment, as part of a queue cluster interconnection study cycle, in which it will update certain base case data. As set forth in Section 7, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent TPP cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades set forth in Appendix A to this LGIA, such modification(s) will be reflected through an amendment to this LGIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Participating TO shall test the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test

energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Parties at least fourteen (14) Calendar Days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

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

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** The Interconnection Customer shall maintain satisfactory operating communications with the CAISO in accordance with the provisions of the CAISO Tariff and with the Participating TO's dispatcher or representative designated by the Participating TO. The Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. The Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to the CAISO and Participating TO as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by the CAISO and Participating TO. Any required maintenance of such communications equipment shall be performed by the Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the CAISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.
- Telemetry to the CAISO shall be provided in accordance with the CAISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.
- Each Party will promptly advise the other Parties if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by another Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.
- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.
- 8.4 Provision of Data from a Variable Energy Resource.** The Interconnection Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to the CAISO to the extent necessary for the CAISO's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the CAISO with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the CAISO with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The CAISO and Interconnection Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to the CAISO regarding all forced outages to the extent necessary for the CAISO's development and deployment of power production forecasts for that

class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the CAISO, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the CAISO. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Balancing Authority Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the CAISO and Participating TO in writing of the Balancing Authority Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.
- 9.3 CAISO and Participating TO Obligations.** The CAISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The CAISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and CAISO operating protocols and procedures as they may change from time to time. The Participating TO and CAISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the CAISO Controlled Grid.

9.6 Reactive Power and Primary Frequency Response.

- 9.6.1 Power Factor Design Criteria.** For all Generating Facilities other than Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all generators in the Balancing Authority Area on a comparable basis.

An Interconnection Customer for an Asynchronous Generating Facility will design the Large Generator Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

- 9.6.2 Voltage Schedules.** Once the Interconnection Customer has synchronized an Electric Generating Unit with the CAISO Controlled Grid, the CAISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). CAISO's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the CAISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the CAISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the CAISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the CAISO and the Participating TO.

9.6.2.1 Voltage Regulators. Whenever an Electric Generating Unit is operated in parallel with the CAISO Controlled Grid and voltage regulators are capable of operation, the Interconnection Customer shall operate the Electric Generating Unit with its voltage regulators in automatic operation. If the Electric Generating Unit's voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Electric Generating Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the

reliability of the CAISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the CAISO Controlled Grid or trip any Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Payment for Reactive Power. CAISO is required to pay the Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from an Electric Generating Unit when the CAISO requests the Interconnection Customer to operate its Electric Generating Unit outside the range specified in Article 9.6.1, provided that if the CAISO pays other generators for reactive power service within the specified range, it must also pay the Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the CAISO and Interconnection Customer have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Electric Generating Unit(s) by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Electric Generating Unit's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Electric Generating Unit(s), and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Electric Generating Units' real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Electric Generating Units' real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Electric Generating Unit(s) has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Electric Generating Unit(s) with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) consistent with the provisions specified in articles 9.6.4.1 and 9.6.4.2 of this LGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall,

in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If Interconnection Customer needs to operate the Electric Generating Unit(s) with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Electric Generating Units' governor or equivalent controls to a minimum whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Electric Generating Units' real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Electric Generating Unit(s) has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Electric Generating Unit(s) shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this LGIA. Large Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in article 9.6.4, but shall be otherwise exempt from the operating requirements in articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this LGIA.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of this LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this LGIA. Appendix C shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected

incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with article 9.6.4.2 of this LGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission system or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. The CAISO shall post scheduled outages of CAISO Controlled Grid facilities in accordance with the provisions of the CAISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the CAISO in accordance with the CAISO Tariff. The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO. The CAISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance in accordance with the CAISO Tariff. The Interconnection Customer will not be

eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

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

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

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

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the CAISO Controlled Grid, subject to any conditions specified in this LGIA;

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

9.7.2.4 Except during the existence of an Emergency Condition, the CAISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The CAISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the CAISO, and the Participating TO;

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

9.7.3 Ride Through Capability and Performance. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by Applicable Reliability

Standards and the Electric Reliability Organization in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by Applicable Reliability Standards and the Electric Reliability Organization to ensure frequency "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The Interconnection Customer also will implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the CAISO Controlled Grid. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Electric Reliability Organization criteria, and Good Utility Practice.

9.7.4.3 The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.

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

Interconnection Customer's Electric Generating Units.

9.7.4.5 The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.

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

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the CAISO Controlled Grid could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Electric Reliability Organization standard. In the event of a conflict among ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Electric Reliability Organization standard, the alternative Applicable Reliability Standard or Electric Reliability Organization standard shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Parties a copy of its switching and tagging rules that are applicable to the other Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

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

Article 10. Maintenance

10.1 Participating TO Obligations. The Participating TO shall maintain the Participating TO's Transmission System and the Participating TO's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. The Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Parties. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such

third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of the Participating TO's Interconnection Facilities.

Article 11. Performance Obligation

- 11.1 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Participating TO's Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, except for Stand Alone Network Upgrades, which will be constructed, and if agreed to by the Parties owned by the Interconnection Customer, and Merchant Network Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Network Upgrades shall be funded by the Interconnection Customer, which for Interconnection Customers processed under Section 6 of the GIDAP (in Queue Clusters) shall be in an amount determined pursuant to the methodology set forth in Section 6.3 of the GIDAP. This specific amount is set forth in Appendix G to this LGIA. For costs associated with Area Delivery Network Upgrades, any amounts set forth in Appendix G will be advisory estimates only, and will not operate to establishing any cap or Maximum Cost Exposure on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades.
- 11.4 Transmission Credits.** No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 11.4.1.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

11.4.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

An Interconnection Customer with a non-Phased Generating Facility shall be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 11.4.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades as set forth in Appendix G, up to a maximum amount established in Section 14.3.2.1 of the RIS. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- (b) For Local Delivery Network Upgrades:
 - i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the RIS, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by the Interconnection Customer for Local Delivery Network Upgrades
 - ii. If the Generating Facility is an Option (B) Generating Facility and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the costs of Local Delivery Network Upgrades.
 - iii. If the Generating Facility is an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.
- (c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network Upgrades.
- (d) If an Interconnection Customer having a Option (B) Generating Facility, and is eligible, to construct and own Network Upgrades pursuant to the Merchant Option set forth in Article 5.15 of this LGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this LGIA.
- (e) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 11.4.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

- (f) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, GIA Deposit, and repayment will be conducted pursuant to Section 14.4.1 of the RIS, and set forth in Appendix G.

11.4.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, as set forth in Appendix G, subject to the limitations specified in Article 11.4.1.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the LGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the LGIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to this LGIA;
- (e) All Parties to the LGIA have confirmed that the completed phase meets the requirements set forth in this LGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in this LGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Financial Security Instruments to the date of commencement of repayment).

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer shall be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this LGIA Article 11.4.1.2. If the LGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 11.4.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then breaches the LGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the Breach against any repayments made for Network Upgrades related to the completed phases.

Any repayment amount provided pursuant to this Article 11.4.1.2 shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable as provided for in this Article 11.4.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

11.4.1.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this LGIA is in effect. The Interconnection Customer may assign such repayment rights to any entity.

11.4.1.4 Failure to Achieve Commercial Operation

If the Large Generating Facility fails to achieve Commercial Operation, but it or another generating facility is later constructed and makes use of the Network Upgrades, the Participating TO shall at that time reimburse Interconnection

Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying and demonstrating to the Participating TO the appropriate entity to which reimbursement must be made in order to implement the intent of this reimbursement obligation.

11.4.2 Special Provisions for Affected Systems. The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the RIS. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System. In the event the Participating TO is a joint owner with an Affected System or with any other co-owner of a facility affected by the Large Generating Facility, the Participating TO's obligation to reimburse the Interconnection Customer for payments made to address the impacts of the Large Generating Facility on the system shall not exceed the proportionate amount of the cost of any upgrades attributable to the proportion of the jointly-owned facility owned by the Participating TO.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, Congestion Revenue Rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements, merchant transmission Congestion Revenue Rights in accordance with Section 36.11 of the CAISO Tariff, or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer will provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment, as specified in Appendix B of this LGIA, will be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the CAISO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

11.5.1 Notwithstanding any other provision of this Agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide the Interconnection Customer with written notice of any Default due to timely failure to post security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed

terminated.

11.6 Interconnection Customer Compensation. If the CAISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. The CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the CAISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

12.2 Final Invoice. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. With respect to costs associated with the Participating TO's Interconnection Facilities and Distribution Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice. With respect to costs associated with Network Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs, as set forth in Appendix G to this LGIA within thirty (30) Calendar Days of the issuance of such final construction invoice. In the event the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs exceed the Interconnection Customer's actual payment for estimated costs, then the Participating TO shall recover such difference through its transmission service rates.

12.3 Payment. Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices

by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.

- 12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the CAISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the CAISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

Article 13. Emergencies

- 13.1 [Reserved]**

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the CAISO, NERC, the Electric Reliability Organization, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this LGIA.

- 13.3 Notice.** The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Participating TO's Interconnection Facilities or Distribution System or the CAISO Controlled Grid, respectively, that may reasonably be expected to affect the Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the CAISO Controlled Grid or the Participating TO's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the CAISO may be publicly posted on the CAISO's internet web site.

- 13.4 Immediate Action.** Unless, in the Interconnection Customer's reasonable judgment, immediate action is required, the Interconnection Customer shall obtain the consent of the CAISO and the Participating TO, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition declared by the Participating TO or CAISO or in response to any other emergency condition.

- 13.5 CAISO and Participating TO Authority.**

13.5.1 General. The CAISO and Participating TO may take whatever actions or inactions, including issuance of dispatch instructions, with regard to the CAISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System they deem necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the CAISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System, (iii) limit or prevent damage, and (iv) expedite restoration of service.

The Participating TO and the CAISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the CAISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the CAISO's Dispatch Instructions and Operating Instructions and Participating TO's dispatch instructions or Operating Instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

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

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

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Laws

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to

obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.

14.2 Governing Law.

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

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

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

Article 15. Notices

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

A Party must update the information in Appendix F as information changes. A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.

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

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

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

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall

exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default.

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party. Upon a Breach, the affected non-Breaching Party(ies) shall give written notice of such Breach to the Breaching Party. Except as provided in Articles 11.5.1 and 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the affected non-Breaching Party(ies) shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

17.2 Violation of Operating Assumptions for Generating Facilities. If the CAISO and Participating TO require the Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix I of this LGIA, the CAISO may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix I of this LGIA at the direction of the CAISO, the CAISO will not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages, and Insurance

18.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all Losses arising out of or resulting from another Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

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

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

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

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

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

18.2 Consequential Damages. Other than the liquidated damages heretofore described in Article 5.3, in no event shall any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the periods noted in this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of any insurance required to be carried by the CAISO, the State of California:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Participating TO and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for Workers Compensation coverage and coverage amounts of no less than One Million Dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and One Million Dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Participating TO shall provide the Interconnection

Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

- 18.3.2 Commercial General Liability Insurance.** The Participating TO and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this LGIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Participating TO and the Interconnection Customer that would be imposed without the LGIA, or (ii) liability assumed by the Participating TO and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Section 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Participating TO and the CAISO as an additional insured only with respect to the LGIA, together with the Interconnection Customer's written representation to the Participating TO and the CAISO that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate Insurance with evidence of such insurance carried by the Interconnection Customer, naming the Participating TO and CAISO as additional insured only with respect to the LGIA.
- 18.3.3 Business Automobile Liability Insurance.** Prior to the entry of any such vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage. The Interconnection Customer shall include the Participating TO and the CAISO as additional insured with respect to the LGIA on any such policies.
- 18.3.4 Excess Liability Insurance.** Commencing at the time of entry of any person on its behalf upon any construction site for the Network Upgrades, Interconnection Facilities, or Generating Facility, the Participating TO and the Interconnection Customer shall maintain Excess Liability insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate. Such insurance carried by the Participating TO shall include the Interconnection Customer and CAISO as additional insured with respect to the LGIA, and such insurance carried by the Interconnection Customer shall include the Participating TO and CAISO as an additional insured with respect to the LGIA. The requirements of Section 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.
- 18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and

Excess Liability Insurance policies shall include the other Parties identified in the sections above, their parents, their subsidiaries, respective directors, officers, agents, servants and employees ("Other Party Group") and the CAISO as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.

18.3.6 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.

18.3.7 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.

18.3.8 [Not Used.]

18.3.9 Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, the Participating TO and the Interconnection Customer shall provide a certificate of insurance for all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure

a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program that is a qualified self insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and

b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9.

c) in the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage greater than \$25,000, including within the scope of coverage of such

insurance whether or not such coverage is sought.

Article 19. Assignment

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

The Interconnection Customer may assign Surplus Interconnection Service pursuant to Section 3.4 of the RIS. The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend this GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA. The assignee must execute a separate GIA with the CAISO and Participating TO to memorialize its Interconnection Service.

Article 20. Severability

- 20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Participating TO or CAISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party

may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

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

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

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

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

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

22.1.11 Subject to the exception in Article 22.1.10, Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality

shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

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

Article 24. Information Requirements

- 24.1 Information Acquisition.** The Participating TO and the Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Participating TO.** The initial information submission by the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Participating TO and the Interconnection Customer. On a monthly basis the Participating TO shall provide the Interconnection Customer and the CAISO a status report on the construction and installation of the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. The Interconnection Customer shall submit a completed copy of the Electric Generating Unit data requirements contained in Appendix 1 to the RIS. It shall also include any additional information provided to the Participating TO and the CAISO for the Interconnection Studies. Information in this submission shall be the most current Electric Generating Unit design or expected performance data. Information submitted for stability models shall be compatible with the Participating TO and CAISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to the Participating TO and the CAISO for the Interconnection Studies, then the Participating TO and the CAISO will conduct appropriate studies pursuant to the RIS to determine the impact on the Participating TO's Transmission System and affected portions of the CAISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.

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

Unless otherwise agreed, the test conditions shall include: (1) Electric Generating Unit at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in Electric Generating Unit terminal voltage initiated by a change in the voltage regulators reference voltage. The Interconnection Customer shall provide validated test recordings showing the responses of Electric Generating Unit terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Electric Generating Unit’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Electric Generating Unit terminal or field voltages is provided. Electric Generating Unit testing shall be conducted and results provided to the Participating TO and the CAISO for each individual Electric Generating Unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide the Participating TO and the CAISO any information changes due to equipment replacement, repair, or adjustment. The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Participating TO-owned substation that may affect the Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information pursuant to Article 5.19.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the CAISO to make available to a Party any third party information in its possession or control if making such third party information available would violate a CAISO Tariff restriction on the use or disclosure of such third party information.

25.2 Reporting of Non-Force Majeure Events. Each Party (the “notifying Party”) shall notify the other Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, the Parties’ audit rights shall include audits of a Party’s costs pertaining to such Party’s performance or satisfaction of obligations owed to the other Party under this LGIA, calculation of invoiced amounts, the CAISO’s efforts to allocate responsibility for the provision of reactive support to the CAISO Controlled Grid, the CAISO’s efforts to allocate responsibility for interruption or reduction of generation on the CAISO Controlled Grid, and each such Party’s actions in an Emergency Condition.

- 25.3.1** The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party's performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 25.3.2** Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.4 Audit Rights Periods.

- 25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following the Participating TO's issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the CAISO for a period of twenty-four months following the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).
- 25.4.2 Audit Rights Period for All Other Accounts and Records.** Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

- 25.5 Audit Results.** If an audit by the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which supports such determination. The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.

- 25.5.1** Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff, and the CAISO's process for remedying an overpayment or underpayment shall be as set forth in the CAISO Tariff.

Article 26. Subcontractors

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

the other Party for the performance of such subcontractor.

- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the CAISO or Participating TO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

All disputes arising out of or in connection with this LGIA whereby relief is sought by or from the CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as references to this LGIA. Disputes arising out of or in connection with this LGIA not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

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

arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

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

Article 28. Representations, Warranties and Covenants

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

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

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

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

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

Article 29. [Reserved]

Article 30. Miscellaneous

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa;

(2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the RIS or such Appendix to the RIS, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

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

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

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

30.11 Reservation of Rights. The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the CAISO below.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

3.2, 4.5, 11.6, 25.3.2, 25.5.1, and 27 preamble.

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among 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.

30.13 Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the CAISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.

IN WITNESS WHEREOF, the Parties have executed this LGIA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Participating TO]

By: _____

Name: _____

Title: _____

Date: _____

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Appendices to LGIA

- Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades
- Appendix B Milestones
- Appendix C Interconnection Details
- Appendix D Security Arrangements Details
- Appendix E Commercial Operation Date
- Appendix F Addresses for Delivery of Notices and Billings
- Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group
- Appendix H Interconnection Requirements for an Asynchronous Generating Facility
- Appendix I Operating Assumptions for Generating Facility

Appendix A

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

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

(b) [insert Participating TO's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

(i) [insert Participating TO's Reliability Network Upgrades]

(ii) [insert Participating TO's Delivery Network Upgrades]

3. Distribution Upgrades:

Appendix B

Milestones

Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date one hundred eighty (180) days from the effective date of this LGIA} or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK to the CAISO Tariff (Withdrawal Penalties).]

Appendix C
Interconnection Details

Appendix D

Security Arrangements Details

Infrastructure security of CAISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day CAISO Controlled Grid reliability and operational security. FERC will expect the CAISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the CAISO Controlled Grid to comply with Applicable Reliability Criteria. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

The Interconnection Customer shall meet the requirements for security implemented pursuant to the CAISO Tariff, including the CAISO's standards for information security posted on the CAISO's internet web site at the following internet address: <http://www.aiso.com/pubinfo/info-security/index.html>.

Appendix E

[This Appendix E sets forth a form of letter to be provided by the Interconnection Customer to the CAISO and Participating TO to provide formal notice of the Commercial Operation of an Electric Generating Unit.]

[Date]

[CAISO Address]

[Participating TO Address]

Re: _____ Electric Generating Unit

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Electric Generating Unit, effective as of **[Date plus one day]** and that **[Interconnection Customer]** provided the CAISO's operations personnel advance notice of its intended Commercial Operation Date no less than five Business Days prior to that date.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F

Addresses for Delivery of Notices and Billings

Notices:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Billings and Payments:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Appendix G

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

Appendix H

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Except as provided in Section 25.4.2 of the CAISO tariff, existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Voltage Ride-Through Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate

of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used, during transient high voltage conditions over 1.20 per unit or more must be one second or less.

4. The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.
5. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
6. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
7. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
8. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.
9. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
10. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
11. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capability

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the NERC Reliability Standard for Generator Frequency and Voltage Protective Relay Settings, or successor requirements as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this LGIA in order to maintain a specified voltage schedule, if the Cluster Study or Interconnection Facilities Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Cluster Study or Interconnection Facilities Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

vi. Transient Data Recording Equipment for Facilities above 20 MW

Asynchronous Generating Facilities with generating capacities of more than 20 MW must monitor and record data for all frequency ride-through events, transient low voltage disturbances that initiated reactive current injection, reactive current injection or momentary cessation for transient high voltage disturbances, and inverter trips. The data may be recorded and stored in a central plant control system. The following data must be recorded:

Plant Level:

- (1) Plant three phase voltage and current
- (2) Status of ancillary reactive devices
- (3) Status of all plant circuit breakers
- (4) Status of plant controller
- (5) Plant control set points
- (6) Position of main plant transformer no-load taps
- (7) Position of main plant transformer tap changer (if extant)
- (8) Protective relay trips or relay target data

Inverter Level:

- (1) Frequency, current, and voltage during frequency ride-through events
- (2) Voltage and current during momentary cessation for transient high voltage

- events (when used)
- (3) Voltage and current during reactive current injection for transient low or high voltage events
- (4) Inverter alarm and fault codes
- (5) DC current
- (6) DC voltage

The data must be time synchronized, using a GPS clock or similar device, to a one millisecond level of resolution. All data except phase angle measuring unit data must be sampled at least every 10 milliseconds. Data recording must be triggered upon detecting a frequency ride-through event, a transient low voltage disturbance that initiated reactive current injection, momentary cessation or reactive current injection for a transient high voltage disturbance, or an inverter trip. Each recording will include as a minimum 150 milliseconds of data prior to the triggering event, and 1000 milliseconds of data after the event trigger. The Asynchronous Generating Facility must store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all data within 10 calendar days of a request from the CAISO or the Participating TO.

The Asynchronous Generating Facility must install and maintain a phase angle measuring unit or functional equivalent at the entrance to the facility or at the Generating Facility's main substation transformer. The phase angle measuring unit must have a resolution of at least 30 samples per second. The Asynchronous Generating Facility will store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all phase angle measuring unit data within 10 calendar days of a request from the CAISO or the Participating TO.

Appendix I to LGIA

Operating Assumptions for Generating Facility

Check box if applicable []

Operating Assumptions:

{insert operating assumptions that reflect the charging behavior of the Generating Facility that includes at least one electric storage resource}

Appendix MM

Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Resource Interconnection Standards (Appendix KK to the CAISO Tariff)

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by _____ ("Participating TO"), the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO") and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Participating TO Information

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

CAISO Information

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: _____ Fax: _____

E-mail: _____@caiso.com

Interconnection Customer Information

Interconnection Customer: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Interconnection Customer Queue Position No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the Resource Interconnection Standards (RIS) set forth in Appendix KK except for those submitted under the 10 kW Inverter Process contained in RIS Appendix 7. For those Interconnection Requests, RIS Appendix 7 contains the terms and conditions which serve as the Interconnection Agreement.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Participating TO's Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the CAISO Tariff. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between or among the Parties.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (CAISO Tariff Appendix CC) to interpret the responsibilities of the Parties under this Agreement.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The CAISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's

Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.

- 1.5.5** Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Change of Ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the CAISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6** The Participating TO and the CAISO shall coordinate with Affected Systems to support the interconnection.
- 1.5.7** The Interconnection Customer shall ensure "frequency ride-through" capability and "voltage ride-through" capability of its Small Generating Facility. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response.

Frequency Conditions. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards and the Electric Reliability Organization in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Small Generating Facility as required by Applicable Reliability Standards and the Electric Reliability Organization to ensure "ride-through" capability. Small Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The term "ride-through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice. Asynchronous Generating Facilities are subject to the frequency ride-through requirements set forth in Attachment 7.

Voltage Conditions. The Interconnection Customer shall ensure "voltage ride-through" capability of its Small Generating Facility. The Interconnection Customer shall enable

these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the CAISO and any Affected Systems for an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. Asynchronous Generating Facilities are subject to the voltage ride-through requirements set forth in Attachment 7.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the CAISO Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the CAISO Tariff for the CAISO Controlled Grid and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 For synchronous Generating Facilities, the Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of each generating unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all similarly situated generators in the CAISO Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to Asynchronous Generating Facilities and the requirements of Attachment 7 shall apply instead.

For an Asynchronous Generating Facility, the Interconnection Customer will design the Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

1.8.2 Payment to the Interconnection Customer for reactive power that the Small Generating Facility provides or absorbs when the CAISO requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1 will be made by the CAISO in accordance with the applicable provisions of the CAISO Tariff.

1.8.3 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning

governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.3.1 and 1.8.3.2 of this SGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall, in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility’s governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall

begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from Sections 1.8.3, 1.8.3.1, and 1.8.3.2 of this SGIA. Small Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.3, but shall be otherwise exempt from the operating requirements in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this SGIA.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of this SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this SGIA. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.3.2 of this SGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection

Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

1.10 TP Deliverability

To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the RIS, the Interconnection Customer's right to retain such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the RIS.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Participating TO and the CAISO of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Participating TO and the CAISO may, at their own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Participating TO and the CAISO a written test report when such testing and inspection is completed.

2.1.2 The Participating TO and the CAISO shall provide the Interconnection Customer written acknowledgment that they have received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Participating TO or the CAISO of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Participating TO and the CAISO shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Participating TO and the CAISO shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Participating TO and the CAISO shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Participating TO's Transmission System without prior written authorization of the Participating TO. The Participating TO will provide such authorization to the Interconnection Customer and the CAISO once the Participating TO receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access to Premises

- 2.3.1** Upon reasonable notice, the Participating TO and the CAISO may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Participating TO and the CAISO at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Participating TO and the CAISO shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3** Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Participating TO and the CAISO shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

- 3.3.1** The Interconnection Customer may terminate this Agreement at any time by giving the Participating TO and the CAISO twenty (20) Business Days written notice.
- 3.3.2** Any Party may terminate this Agreement after Default pursuant to Article 7.6.
- 3.3.3** Upon termination of this Agreement, the Small Generating Facility will be disconnected from the CAISO Controlled Grid. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.
- 3.3.4** The termination of this Agreement shall not relieve any Party of its liabilities and

obligations, owed or continuing at the time of termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection of the Small Generating Facility or associated Interconnection Facilities shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO’s Transmission System, the Participating TO’s Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO’s electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the CAISO or the Participating TO may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer’s operation of the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the CAISO Controlled Grid, the Participating TO’s Interconnection Facilities, or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer’s or Participating TO’s facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Participating TO or the CAISO may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the CAISO Controlled Grid when necessary for routine maintenance, construction, and repairs on the CAISO Controlled Grid or the Participating TO’s electric system. The Party scheduling the interruption shall provide the Interconnection Customer with (5) five Business Days notice prior to such interruption. The Party scheduling the interruption shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the

Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO.

3.4.3 Forced Outages

During any forced outage, the Participating TO or the CAISO may suspend interconnection service to effect immediate repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Participating TO or the CAISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Participating TO or the CAISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection. The Interconnection Customer shall notify CAISO, as soon as practicable, of all forced outages or reductions of the Small Generating Facility in accordance with the CAISO Tariff.

3.4.4 Adverse Operating Effects

The Participating TO or the CAISO shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the CAISO Controlled Grid, the Participating TO's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Participating TO or the CAISO may disconnect the Small Generating Facility. The Participating TO or the CAISO shall provide the Interconnection Customer with (5) five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility before it has achieved its Commercial Operation Date, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2 of Appendix KK, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer has achieved its Commercial Operation Date, the CAISO and Participating TO(s) will review the requested modification pursuant to Sections 25 and 25.1(c) of the CAISO Tariff. If the Interconnection Customer makes modifications without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, the Participating TO's electric system, and the CAISO Controlled Grid to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Costs for Interconnection Facilities, and Distribution Upgrades

4.1 Interconnection Facilities

- 4.1.1** The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Participating TO shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the CAISO, and the Participating TO.
- 4.1.2** The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Participating TO's Interconnection Facilities.

4.2 Distribution Upgrades

The Participating TO shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility For Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Participating TO shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement, except for Merchant Network Upgrades. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer. For costs associated with Area Delivery Network Upgrades and Area Off-Peak Network Upgrades, any cost estimates will be advisory in nature and will not be considered as definitive or as establishing a cap on the Maximum Cost Exposure of the Interconnection Customer.

5.2.1 Merchant Network Upgrades

If the Interconnection Customer is an Option (B) Interconnection Customer, the Interconnection Customer may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU that the Interconnection Customer has the obligation to fund and that are not subject to reimbursement. Such LDNU and ADNU will be constructed and incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11.

5.3 Transmission Credits

No later than thirty (30) calendar days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 5.3.1, and/or (b) decline all or a part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 5.3.1.

5.3.1 Repayment of Amounts Advanced for Network Upgrades

5.3.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

An Interconnection Customer with a non-Phased Generating Facility will be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Small Generating Facility, commencing upon the Commercial Operation Date of the Small Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Small Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 5.3.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades up to a maximum amount established in Section 14.3.2.1 of the RIS. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of the Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- (b) For Local Delivery Network Upgrades:
 - i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the RIS, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the cost of Local Delivery Network Upgrades for which it is responsible. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by

the Interconnection Customer for Local Delivery Network Upgrades.

- ii. If the Interconnection Customer is an Option (B) Interconnection Customer and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the cost of Local Delivery Network Upgrades.
 - iii. If the Interconnection Customer is an Option (A) Interconnection Customer, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.
- (c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network Upgrades.
- (d) If an Option (B) Interconnection Customer elects and is eligible to construct and own Merchant Network Upgrades as set forth in Article 5.2.1 of this SGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this SGIA.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 5.3.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

- (e) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, Commercial Readiness Deposit, GIA Deposit, and repayment will be conducted pursuant to Section 14.4.1 of the RIS, and set forth in this SGIA,
- (f) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.

5.3.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the amount paid to the Participating TO for the cost of Network Upgrades for that

completed phase for which the Interconnection Customer is responsible, subject to the limitations specified in Article 5.3.1.1, if the following conditions are satisfied as described below:

- (a) The Small Generating Facility is capable of being constructed in phases;
- (b) The Small Generating Facility is specified in the SGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the SGIA;
- (d) The Interconnection Customer has tendered notice pursuant to the SGIA that the phase has achieved Commercial Operation;
- (e) All parties to the SGIA have agreed that the completed phase meets the requirements set forth in the SGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the SGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the security required for the Network Upgrades for all the phases of the Small Generating Facility.

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer in a Queue Cluster, or an Interconnection Customer in the Fast Track Process will be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Small Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

If the SGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 5.3.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the SGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases, provided that the Party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Article 5.3.1.2 shall include any

tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 5.3.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.3 Interest Payments and Assignment Rights

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this Agreement is in effect. The Interconnection Customer may assign such repayment rights to any person.

5.3.1.4 Failure to Achieve Commercial Operation

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

5.3.2 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the RIS. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.

5.3.3 Rights Under Other Agreements

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

5.3.4 Compensation for Customer-Funded Upgrades Utilized by Subsequent Interconnection Customers.

If the Interconnection Customer funds Network Upgrades for which it is not eligible for repayment, the Interconnection Customer will be entitled to direct compensation by any Interconnection Customers in later Queue Clusters that utilize such Network Upgrades. Such compensation will be determined based on the distribution flow factors of the Generating Facilities that will be using the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Participating TO shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

6.1.2 Within six (6) months of completing the construction and installation of the Participating TO's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Participating TO shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Participating TO for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Participating TO shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Participating TO within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Participating TO shall refund to the Interconnection Customer an amount equal to the difference within thirty (30) calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, as defined in Article 7.5.1, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Parties affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) they will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) they have reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Arrangements for Small Generating Facilities Processed Under the Fast Track Process

The terms and conditions of this Article 6.3 shall apply only to Small Generating Facilities that are no larger than 5 MW that are processed under the Fast Track Process.

In such case, the terms of Article 6.4 below do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.3 applies:

[] THIS ARTICLE 6.3 APPLIES

- 6.3.1** At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Participating TO's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO under this Agreement during its term. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Attachment 4 of this SGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.
- 6.3.2** If a guarantee is provided, the guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.3** If a letter of credit or surety bond is provided, the letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

6.4 Arrangements for All Other Small Generating Facilities

The terms of this Article 6.4 apply to Small Generating Facilities that have been processed under the Cluster Study Process. In such case, the provisions of Article 6.3 do not apply to this Agreement.

In such case, the terms of Article 6.3 above do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.4 applies:

[] THIS ARTICLE 6.4 APPLIES

- 6.4.1** The Interconnection Customer is obligated to provide the necessary GIA Deposit required under Section 13.3 of the RIS in a manner acceptable under Section 11 of the RIS. Failure by the Interconnection Customer to timely satisfy the RIS's requirements for the provision of GIA Deposit shall be deemed a breach of this Agreement and a condition of Default of this Agreement.

Article 7. Assignment, Liability, Indemnity, Force Majeure, and Default

7.1 Assignment

This Agreement may be assigned by any Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1** Any Party may assign this Agreement without the consent of the other Parties 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, provided that the Interconnection Customer promptly notifies the Participating TO and the CAISO of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Participating TO or the CAISO, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Participating TO and the CAISO of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

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

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

7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of another Party. Upon a Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2 and in Article 6.4.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1** The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Participating TO or CAISO, except that the Interconnection Customer shall show proof of insurance to the Participating TO and CAISO no later than ten Business Days prior to the anticipated Commercial Operation Date. If the Interconnection Customer is of sufficient credit-worthiness, it may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2** The Participating TO agrees to maintain general liability insurance or self-insurance consistent with the Participating TO's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Participating TO's liabilities undertaken pursuant to this Agreement.
- 8.3** The CAISO agrees to maintain general liability insurance or self-insurance consistent with the CAISO's commercial practice. Such insurance shall not exclude coverage for the CAISO's liabilities undertaken pursuant to this Agreement.
- 8.4** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.
- 9.2.2** Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3** Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for

information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

All disputes arising out of or in connection with this Agreement whereby relief is sought by or from CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as reference to this Agreement. Disputes arising out of or in connection with this Agreement not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2** In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3** If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4** The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5** Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6** If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1** The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is

located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by all of the Parties, or under Article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall

negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with Applicable Reliability Criteria. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

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

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

Introductory Paragraph, 1.1, 1.2, 1.3, 1.4, 1.5.1, 1.5.2, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.6, 1.7, 1.8.1, 1.9, 2.1, 2.2.1, 2.3, 3, 4.1.1 (last sentence only), 5.1, 5.3, 6.2, 7, 8, 9, 11, 12, 13, Attachment 1, Attachment 4, Attachment 5, and Attachment 7.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

2.2.2, 4.1.1 (all but the last sentence), 4.1.2, 4.2, 5.2, 6.1.1 (all but the last sentence), 6.1.2, 10 (all but preamble), Attachment 2, Attachment 3 and Attachment 6.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

1.8.2, 6.1.1 (last sentence only) and 10 (preamble only).

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by 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, except to the extent that the Parties otherwise mutually agree as provided herein.

12.13 Annual Reassessment Process

In accordance with Section 7 of the RIS, the CAISO will perform an annual reassessment in which it will update certain base case data prior to beginning the Interconnection Facilities Study. As set forth in Section 7 of the RIS, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed Generator Interconnection Agreements should be modified in order to reflect the current circumstances of Interconnection Customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent Transmission Planning Process cycle. To the extent that this determination modifies the scope or characteristics of, or the financial responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades determined pursuant to this SGIA, such modification(s) will be reflected through an amendment to this SGIA.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by any Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

E-mail address: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Participating TO's Operating Representative:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

CAISO's Operating Representative

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

13.5 Changes to the Notice Information

Any Party may change this information by giving five Business Days written notice to the other Parties prior to the effective date of the change.

Article 14. Signatures

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

For the California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

For the Participating TO

By: _____

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System - An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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

Area Deliverability Constraint - A previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrade (ADNU) - A transmission upgrade or addition identified by the CAISO to relieve an Area Deliverability Constraint.

Area Off-Peak Constraints - A transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) - A transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) - Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

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

Business Day - Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid - The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff - The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Cluster Application Window - The time period for submitting Interconnection Requests as set forth in Section 3.3 of Appendix KK.

Cluster Study Process - The following processes, conducted in sequence: the Cluster Application Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Commercial Operation Date - The date on which a Small Generating Facility commenced generating

electricity for sale as agreed upon by the Participating TO and the Interconnection Customer and in accordance with any implementation plan agreed to by the Participating TO and the CAISO for multiple individual generating units or project phases at a Small Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those generating units or project phases.

Commercial Readiness Deposit - A deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) - Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

Current Cost Responsibility (CCR) - The Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's, Commercial Readiness Deposit, and GIA Deposit requirements, as applicable.

Customer Engagement Window - The time period set forth in Section 3.5.2 of the RIS.

Default - The failure of a breaching Party to cure its breach under this Agreement.

Distribution System - Those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades - The additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

General Reliability Network Upgrade (GRNU) - Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) - The CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that is included in CAISO Tariff Appendix DD.

GIA Deposit - The deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

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

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

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

Interconnection Handbook - A handbook, developed by the Participating TO and posted on the Participating TO's website or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's Transmission System, as such handbook may be modified or superseded from time to time. The Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and applicable reliability standards.

Interconnection Reliability Network Upgrade (IRNU) - Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

Interconnection Request – An Interconnection Customer's request, in the form of Appendix 1 Appendix KK in accordance with Section 25.1 of the CAISO Tariff.

Interconnection Study - Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

Local Deliverability Constraint - A transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade (LDNU) - A transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints - A transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) - A transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position.

Maximum Cost Exposure (MCE) - The sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Interconnection Studies.

Maximum Cost Responsibility (MCR) - The sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Interconnection Facilities Study, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer pursuant to Article 5.2.1 of this SGIA, Section 13.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Network Upgrades - Additions, modifications, and upgrades to the Participating TO's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the CAISO Controlled Grid to accommodate the interconnection of the Small Generating Facility with the CAISO Controlled Grid. Network Upgrades do not include Distribution Upgrades.

Operational Control - The rights of the CAISO under a Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Off-Peak Deliverability Constraints - A transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades - Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operating Requirements - Any operating and technical requirements that may be applicable due to the CAISO, Western Electricity Coordinating Council, Balancing Authority Area, or the Participating TO's requirements, including those set forth in this Agreement.

Option (A) Interconnection Customer – A Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Option (B) Interconnection Customer – Generating Facilities for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Party or Parties - The Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Phased Generating Facility - A Small Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this SGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Small Generating Facility.

Point of Interconnection - The point where the Interconnection Facilities connect with the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) - Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

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

Reliability Network Upgrades (RNU) - The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 system operating limits. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) - Appendix KK to the CAISO Tariff.

Site Control - the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Small Generating Facility - The Interconnection Customer's device 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.

Small Generator Interconnection Agreement - The pro forma Interconnection Agreement applicable to an Interconnection Request for a Small Generating Facility.

TP Deliverability - The capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

Transmission Control Agreement - CAISO FERC Electric Tariff No. 7.

Transmission System - The facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Upgrades - The required additions and modifications to the Participating TO's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Withdrawal Penalty - The penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Participating TO. The Participating TO will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Attachment 4

Milestones

In-Service Date: _____

[Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date 180 days from the effective date of this SGIA} or the SGIA may be terminated per Article 7 (Default) of this SGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK CAISO Tariff (Withdrawal Penalties).]

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the CAISO _____

Date _____

For the Participating TO _____

Date _____

For the Interconnection Customer _____

Date _____

Attachment 5

Additional Operating Requirements for the CAISO Controlled Grid and Affected Systems Needed to Support the Interconnection Customer's Needs

The Participating TO and the CAISO shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the CAISO Controlled Grid.

Attachment 6

Participating TO's Description of its Upgrades and Best Estimate of Upgrade Costs

The Participating TO shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Participating TO shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Attachment 7

Interconnection Requirements for an Asynchronous Small Generating Facility

Attachment 7 sets forth requirements and provisions specific to all Asynchronous Generating Facilities. All other requirements of this Agreement continue to apply to all Asynchronous Generating Facility interconnections consistent with Section 25.4.2 of the CAISO tariff.

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used, during transient high voltage conditions over 1.20 per unit or more must be one second or less.

The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.

4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7 or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
7. Asynchronous Generating Facilities may meet the requirements of this Section A of this Attachment 7 through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility or by a combination of generating unit performance and additional equipment.
8. The provisions of this Section A.i of this Attachment 7 apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
9. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
10. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of

the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capacity

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the Electric Reliability Organization Reliability Standard for Generator Frequency and Voltage Protective Relay Settings as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility will operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this SGIA in order to maintain a specified voltage schedule, if the Interconnection Facilities Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection Facilities Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

Attachment 8

[This Attachment is Intentionally Omitted]

Attachment B – Marked Tariff

Tariff Amendment to Comply with Order No. 2023

California Independent System Operator Corporation

May 16, 2024

Section 25

25. Interconnection of Generating Units and Facilities

25.1 Applicability

This Section 25 ~~and Appendix U (the Standard Large Generator Interconnection Procedures (LGIP)), Appendix Y (the Generator Interconnection Procedures (GIP)), Appendix S (the Small Generator Interconnection Procedures (SGIP)), Appendix W, or Appendix DD (the Generator Interconnection and Deliverability Allocation Procedures (GDAP)), as applicable, shall apply~~ applies to:

- (a) each new Generating Unit that seeks to interconnect to the CAISO Controlled Grid;
- (b) each existing Generating Unit connected to the CAISO Controlled Grid that will be modified with a resulting increase in the total capability of the power plant;
- (c) each Generating Unit connected to the CAISO Controlled Grid that will be modified without increasing the total capability of the power plan but has change the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria.
- (d) each existing Generating Unit connected to the CAISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2;
- (e) each existing Generating Unit that is a Qualifying Facility and that is converting to a Participating Generator without repowering or reconfiguring the existing Generating Unit, subject to Section 25.1.2;
- (f) each existing Generating Unit connected to the CAISO Controlled Grid that proposes to repower its Generating Unit pursuant to Section 25.1.2; and
- (g) Generating Units interconnecting to the CAISO Controlled Grid over a Subscriber Participating TO transmission facilities using Subscriber Rights are required to apply for TP Deliverability under Section 25.1 once (1) the Subscriber Participating TO transmission facilities have completed their transmission interconnection studies with all interconnecting Transmission Owner(s), (2) Subscriber(s) have executed the Generator

Interconnection Agreement, (3) the Subscriber Participating TO has committed to proceed with Construction Activities regarding the Subscriber Participating TO transmission facilities, and (4) the applicant provides a notice in writing to the applicable interconnecting Transmission Owners that it is proceeding with Construction Activities.

Once these criteria have been completed, the Generating Unit must apply as follows:

- (1) each Generating Unit possessing Subscriber Rights and receiving Deliverability from TPP-approved Network Upgrades shall apply for TP Deliverability allocation through the submission of a Subscriber Participating TO-specific deliverability allocation request subject to Appendix DD, Section 8.9 and does not submit an Interconnection Request under Section 25;
- (2) each Generating Unit that does not meet the criteria under Section 25.1(g)(1) shall be treated in accordance with Section 25.1(a).

25.1.1 Interconnection Request and Generating Unit Requirements

The owner of a Generating Unit described in Section 25.1 (a), (b), (c), or (g), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix

DDKK.

25.1.2 Affidavit Requirements

If the owner of a Generating Unit described in Section 25.1(d), (e), or (f) or its designee, represents that the total generating capability and electrical characteristics of the Generating Unit will be substantially unchanged, then that entity must submit an affidavit to the CAISO and the applicable Participating TO representing that the total generating capability and electrical characteristics of the Generating Unit have remained substantially unchanged. However, if there is any change to the total generating capability and electrical characteristics of the Generating Unit, the affidavit shall include supporting information describing any such changes and a \$50,000 deposit for the study. The CAISO, in coordination with the applicable Participating TO, will evaluate whether the total generating capability or electrical characteristics of the Generating Unit have substantially changed or will substantially change. The CAISO may engage the services of the applicable Participating TO in conducting such verification activities. Costs incurred by the CAISO and Participating TO (if any) shall be borne by the party making

the request under Section 25.1.2, and such costs shall be included in a CAISO invoice for verification activities.

25.1.2.1 If the CAISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However, the owner of the Generating Unit, or its designee, will be required to execute a CAISO Generator Interconnection Agreement, as applicable. All Generation Units described in Section 25.1(d), (e), and (f) will be required to comply with the CAISO's new resource implementation process to ensure compliance with applicable tariff provisions and Applicable Reliability Criteria, as specified in the Business Practice Manuals.

25.1.2.2 If the CAISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Generating Unit, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix ~~DDKK~~.

25.1.2.3 Upon receipt of the affidavit, the complete technical data, and the deposit, the CAISO will issue a draft study plan to the Generating Unit owner within thirty (30) days. Upon receipt of an executed study plan the CAISO will commence the study. The CAISO will complete the study within ninety (90) calendar days from the date the CAISO receives the signed study plan. If the CAISO cannot complete the study within that time period, the CAISO shall notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required. The CAISO will issue a final study report to the Generating Unit owner upon completion of the study. Any and all costs of the study shall be borne by the Generating Unit owner requesting the study.

25.1.2.4 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the study. If the actual costs of the study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced by the CAISO. The Participating TO(s) shall invoice the CAISO for any study work within seventy-five (75) calendar days of

completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO shall issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the study.

25.2 Interconnection to the Distribution System

Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the CAISO Controlled Grid consistent with Appendix ~~DDKK~~. In addition, each Participating TO will provide to the CAISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the CAISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

25.3 Maintenance of Encumbrances

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the CAISO. The applicable Participating TO, in consultation with the CAISO, shall identify any such adverse effect on its Encumbrances in the applicable Interconnection Study. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

25.4 Asynchronous Generating Facilities

~~Asynchronous Generating Facilities that are the subject of Interconnection Requests in a serial study queue and for which a Large Generator Interconnection Agreement has not been executed or tendered for signature as of July 2, 2010 shall be subject to the Large Generator Interconnection Agreement set forth in Appendix BB. Asynchronous Generating Facilities that are the subject of Interconnection Requests in a Queue Cluster Window and for which a Large Generator Interconnection Agreement has not been executed or tendered for signature as of July 3, 2010 shall be subject to the Large Generator~~

~~Interconnection Agreement set forth in Appendix CC. Asynchronous Generating Facilities that have been or should have been tendered a Large Generator Interconnection Agreement as of July 3, 2010 shall be subject to the Large Generator Interconnection Agreement set forth in Appendix Z.~~

25.4.1 Asynchronous Generating Facilities-Reactive Power

The reactive power requirements set forth in FERC's Order No. 827 will apply to: 1) the entirety of an existing Asynchronous 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 Asynchronous Electric Generating Units, when an existing Generating Facility replaces Electric Generating Units with new Asynchronous Electric Generating Units, whether or not submission of a new Interconnection Request is required. Under these requirements, the Asynchronous Electric Generating Facility or Asynchronous Electric Generating Unit, as applicable, will maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors or reactors, or a combination of the two.

~~After September 21, 2016, an~~An existing Asynchronous Generating Facility making upgrades to its Generating Unit(s) through the Fast Track Process will maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors or reactors, or a combination of the two.

25.4.2 Asynchronous Generating Facilities – GIA Technical Criteria

The technical requirements for Asynchronous Generating Facilities set forth in Appendix H to Appendix ~~EE-LL~~ to the CAISO tariff and Attachment 7 to Appendix ~~FF-MM~~ to the CAISO tariff, or applicable successor requirements, apply to existing individual Generating Units to the extent the Generating Facility makes modifications that replace its Generating Unit(s) or any inverter(s), even where a new Interconnection Request is not required or the Interconnection Customer is subject to an earlier SGIA or LGIA. The same technical requirements will not apply where the Generating Facility replaces an inverter as part of routine maintenance or repairs due to malfunction or failure.

25.5 Modifications to Generating Facilities

Pursuant to ~~Article 5.19 of the Large Generator Interconnection Agreement set forth in Appendices V, BB, CC, and EE, or Article 1.3.4 of the Small Generator Interconnection Agreement set forth in Appendices T and FF~~ the modification provisions of their GIAs, Generating Facilities that have achieved their Commercial Operation Date may make modifications to their Generating Facilities where the CAISO and the Participating TO are notified at least ninety (90) calendar days in advance of commencement of work and sufficient information is provided such that the CAISO and the Participating TO(s) have determined that Section 25.1 does not apply to the modification.

25.5.1

Prior to making any modification after the Generating Facility's Commercial Operation Date, the Generating Unit owner must first request that the CAISO evaluate whether Section 25.1 would apply to the modification. In response to the Generating Unit owner's request, the CAISO, in coordination with the affected Participating TO, will evaluate the proposed modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. The CAISO will inform the Generating Unit owner in writing whether Section 25.1 would apply to the modification and therefore be denied. Costs incurred by the Participating TO and the CAISO (if any) shall be borne by the party making the request under Section 25.5, and such costs shall be included in any CAISO invoice for modification assessment activities.

25.5.2

The Generating Unit owner will provide the CAISO a \$50,000 deposit for repowering requests, or a \$10,000 deposit for all other modification assessments at the time the request is submitted. Except as

provided below, any modification assessment will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from the date the CAISO receives all of the following: the Generating Unit owner's written notice to modify the project, technical data required to assess the request, and payment of the applicable deposit. If the modification assessment cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

25.5.3

The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the modification assessment. If the actual costs of the modification assessment are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the modification assessment are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner will pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the modification request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

Appendix A

- Affected System Facilities Construction Agreement

The agreement contained in Appendix 13 to the RIS between the CAISO and Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary Affected System Network Upgrades on the CAISO Controlled Grid.

- Affected System Interconnection Customer

Any entity that submits an interconnection request for a generating facility to a transmission system other than the CAISO's Transmission System that may cause the need for Affected System Network Upgrades on the CAISO Controlled Grid.

- Affected System Network Upgrades

The additions, modifications, and upgrades to the CAISO Controlled Grid required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than the CAISO Controlled Grid.

- Affected System Queue Position

The queue position of an Affected System Interconnection Customer in the CAISO's interconnection queue relative to the CAISO's Interconnection Customers' Queue Positions.

- Affected System Study

The evaluation of Affected System Interconnection Customers' proposed interconnection(s) to a transmission system other than the CAISO Controlled Grid that have an impact on the CAISO Controlled Grid, as described in Section 14.5 of the RIS.

- Affected System Study Agreement

The agreement contained in Appendix 11 to the RIS between the CAISO and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 14.5 of the RIS.

- Affected System Study Report

The report issued following completion of an Affected System Study pursuant to Section 14.5.6 of the RIS.

- Cluster Application Window

The time period for submitting Interconnection Requests as set forth in Section 3.3 of Appendix ~~DD~~KK.

- Cluster Restudy

A restudy of a Cluster Study conducted pursuant to Section 7.4 of the RIS.

- Cluster Restudy Report

The report issued following completion of a Cluster Restudy pursuant to Section 7.4 of the RIS.

- Cluster Study Agreement

The pro forma agreement between the CAISO and the Interconnection Customer for conducting Interconnection Studies for a proposed Generating Facility under Appendix KK.

- Cluster Study Process

The following processes, conducted in sequence: the Cluster Application Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

- Cluster Study Report Meeting

The meeting held to discuss the results of a Cluster Study pursuant to Section 7 of the RIS.

- Commercial Readiness Deposit

A deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

- Current Cost Responsibility (CCR)

The Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to

calculate the Interconnection Customer's Interconnection Financial Security, Commercial Readiness Deposit, and GIA Deposit requirements, as applicable.

- Customer Engagement Window

The time period set forth in Section 3.5.2 of the RIS.

- Electric Reliability Organization

The North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

- Generating Facility Capacity

The net capacity of the Generating Facility ~~and~~ or the aggregate net capacity of the Generating Facility where it includes more than one Generating Unit for the production and/or storage for later injection of electricity.

- Generating Unit

An individual electric generator, or storage for later injection of electricity, and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is: (a) located within the CAISO Balancing Authority Area (which includes a Pseudo-Tie of a generating unit to the CAISO Balancing Authority Area) or, for purposes of scheduling and operating the Real-Time Market only, an EIM Entity Balancing Authority Area; (b) connected to the CAISO Controlled Grid, either directly or via interconnected

transmission, or distribution facilities or via a Pseudo-Tie; and (c) capable of producing or storing and then delivering net Energy (Energy in excess of a generating station's internal power requirements).

- Generator Interconnection Agreement (GIA)

~~The form of a pro forma Interconnection Agreement applicable to an Interconnection Request pertaining to for a Generating Facility processed under the interconnection procedures set forth in Appendices ~~Y, DD, or KK.~~ Includes the Large Generator Interconnection Agreement and the Small Generator Interconnection Agreement. ~~For a Large Generating Facility, a pro forma version of the Interconnection Agreement is set forth in Appendix CC. For a Small Generating Facility, a pro forma version of the Interconnection Agreement is set forth in Appendix T.~~~~

- Generator Interconnection Study Process Agreement (GISPA)

The pro forma agreement between the CAISO and the Interconnection Customer for conducting ~~the~~ Interconnection Studies for a proposed Generating Facility under Appendices Y and DD. ~~processed under Appendix Y, a pro forma version of which is accepted by FERC, posted on the CAISO Website, and set forth in Appendix Y.~~

- GIA Deposit

The deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

- Identified Affected System

An Affected System Operator that responds affirmatively to CAISO notification, ~~as described in Section 3.7 of Appendix DD.~~

- Interconnection Agreement

A contract ~~between~~ among a party requesting interconnection, the CAISO, and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.

- Interconnection Facilities Study

A study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), as identified in the Cluster Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the ~~Standard Large Generator Interconnection Procedures (Appendix U)~~, ~~Section 6 and 7 of the Generator Interconnection Procedures (Appendix Y)~~ and ~~Section 4.4 of the Generator Interconnection and Deliverability Allocation Procedures (Appendix DD)~~ RIS (Appendix KK).

- Interconnection Facilities Study Report

The report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the RIS.

- Interconnection Request

An Interconnection Customer's request, in the form of Appendix 1 to ~~the Generator Interconnection Deliverability Allocation Procedure (Appendix DDKK)~~, in accordance with Section 25.1 of the CAISO Tariff.

- Interconnection Study

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, ~~and~~ the Interconnection Facilities Study, ~~described in the Standard Large Generator Interconnection Procedures set forth in Appendix U and the Phase I Interconnection Study, and~~ the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these described in the LGIP set forth in Appendix Y and Appendix DD.

- Interconnection Study Cycle

All requirements, actions, and respective obligations of the CAISO, Participating TO, and Interconnection Customer ~~under the GIP set forth in Appendix Y or the GIDAP set forth in Appendix DD~~ applicable to an Interconnection Request submitted in the applicable annual Cluster Application Window and including execution by the parties or submission to FERC by one or more parties of a GIA.

- Interconnection Study Deposit

The cash deposit provided to the CAISO by Interconnection Customers ~~under GIP Section 3.5.1 set forth in Appendix Y~~ as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies ~~as set forth in GIP Sections 3.5.1.2 and 3.5.1.3 set forth in Appendix Y.~~

- Large Generator Interconnection Agreement (LGIA)

The ~~form of pro forma~~ interconnection ~~A~~ agreement applicable to an Interconnection Request ~~pertaining to for~~ a Large Generating Facility ~~processed under the interconnection procedures set forth in Appendix U, a pro forma version of which is set forth in Appendix V.~~

- Material Modification

A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position ~~priority date.~~

- Maximum Cost Exposure (MCE)

~~Pursuant to Appendix DD, t~~he sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its ~~Phase I or Phase II~~ Interconnection Studies ies.

- Maximum Cost Responsibility (MCR)

~~Pursuant to Appendix DD, the lower~~ sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its ~~Phase I or Phase II~~ Interconnection Facilities Studies, not to exceed the Maximum Cost Exposure.

- Off-Peak Deliverability Assessment

The technical study performed in Interconnection Studies ~~under Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website~~, to study if Generating Facilities can provide expected Energy to the CAISO Controlled Grid during modeled off-peak Load conditions without excessive curtailment due to transmission constraints.

- On-Peak Deliverability Assessment

The technical study performed ~~under Section 6.3.2.1 of Appendix DD and the CAISO On-Peak Deliverability Assessment posted on the CAISO Website~~ in Interconnection Studies, to determine if a Generating Facility or a group of Generating Facilities requesting Full Capacity Deliverability Status or Partial Capacity Deliverability Status can provide Energy to the CAISO Controlled Grid and be delivered to the aggregate of Load on the CAISO Controlled Grid at peak Load, under a variety of modeled stressed conditions.

- Option (A) Generating Facility

A Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under ~~GIDAP~~ Section 7.2 ~~set forth in~~ Appendix DD or KK.

- Option (B) Generating Facility

Generating Facilities for which the Interconnection Customer has selected Option (B) as the Deliverability option under ~~GIDAP~~ Section 7.2 ~~set forth in~~ Appendixes ~~DD~~ or KK.

- Pre-Construction Activities

Actions by a Participating TO, other than those required by an Engineering and Procurement Agreement ~~under GIP Section 10 in Appendix Y, and Section 12 of Appendix DD~~, undertaken prior to Construction Activities in order to prepare for the construction of Participating TO's Interconnection Facilities 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 Participating TO's Interconnection Facilities or Network Upgrades.

- Queue Cluster

A set of Interconnection Requests processed collectively in an Interconnection Study Cycle ~~pursuant to Appendix Y or Appendix DD~~ other than pursuant to the Fast Track Process or the Independent Study Process ~~set forth in Appendix Y or Appendix DD~~.

- Queue Position

The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, ~~that is established~~ pursuant to Section 6.1.3 of the RIS~~based upon the date and time of receipt of the valid Interconnection Request by the CAISO.~~

- Resource Interconnection Standards (RIS)

Appendix KK to the CAISO Tariff.

- Scoping Meeting

The meeting among representatives of the Interconnection Customer, the applicable Participating TO, and the CAISO conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, ~~to exchange~~ information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of the GIDAP, and to analyze such information, ~~and to determine the potential feasible Points of Interconnection.~~

- Site Control

The exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to

construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

~~Documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.~~

- Small Generator Interconnection Agreement

The pro forma Interconnection Agreement applicable to an Interconnection Request for a Small Generating Facility.

- Withdrawal Penalty

The penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Appendix B.23

CAISO AS AN AFFECTED SYSTEM STUDY AGREEMENT (CASSA)[Not Used]

THIS AGREEMENT is dated _____ day of _____, _____ and is entered into, by and between:

(1) _____ **[Full Legal Name]**, having its registered and principal place of business located at **[Address]**—
(the "Generation Project Owner");—
and—

(2) _____ **California Independent System Operator Corporation ("CAISO")**, a California nonprofit public-benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate.
The Generation Project Owner and the CAISO each may be referred to as the "Parties".

WHEREAS:

- A. _____ The Generation Project Owner is proposing to develop a generation project that may electrically impact the CAISO as an Affected System;
- B. _____ The Generation Project Owner has submitted an Affected System Study request ("Request") to the CAISO;
- C. _____ The Request is consistent with the current study request submitted by the Generation Project Owner with the interconnecting system transmission provider, "Interconnecting System", and—
- D. _____ The Generation Project Owner has requested the CAISO to conduct or cause to be performed studies to assess the system impact of the generation project or capacity addition to the CAISO Controlled-Grid's electrical system, and to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed on the CAISO Controlled Grid in accordance with Good-Utility Practice to mitigate any adverse system impacts ("Affected System Study").

—
NOW, THEREFORE, in consideration of and subject to the mutual covenants set forth herein **THE PARTIES AGREE** as follows:—

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

1.1 Master Definitions Supplement. All capitalized terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the CAISO Tariff.

1.2 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

- (a) _____ if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
- (b) _____ the singular shall include the plural and vice versa;
- (c) _____ the masculine shall include the feminine and neutral and vice versa;
- (d) _____ "includes" or "including" shall mean "including without limitation";
- (e) _____ references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) _____ a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) _____ unless the context otherwise requires, references to any law shall be deemed references to

- such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
 - (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
 - (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
 - (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENT OF GENERATION PROJECT OWNER AND CAISO

2.1 Study Plan. The Generation Project Owner elects to have the CAISO perform or cause to be performed and the CAISO shall conduct or cause to be performed an Affected System Study similar to the CAISO Interconnection System Impact and Facilities Study. The details, including but not limited to, scope, assumptions, and duration for the Affected System Study will be outlined in the Affected System Study Plan. The Request will be subject to the direction and oversight of the CAISO in coordination with the Participating TO as described in the CAISO Tariff. The CAISO and Participating TO Affected System Study report shall provide the information specified in the Affected System Study Plan.

2.2 Technical Requirements. The Affected System study will be based upon the technical information provided by the Generation Project Owner in the Request, as may be modified as a result of the scoping meeting. If the Generation Project Owner further modifies the Request, its designated point of interconnection, or the technical information provided therein, the Affected System Study results may be invalid and restudies, at the Generation Project Owner's expense, may be required.

2.3 Meetings and Costs. The Generation Project Owner shall provide a Request and study deposit in the amount of \$75,000, which is equal to a non-binding good faith estimate for the cost of the studies, prior to commencement of the Affected System technical review of the Request and the study. If at any time the CAISO determines the cost will exceed the \$75,000 deposit, the CAISO will notify the Generation Project Owner.

Following the issuance of the Affected System Study report, the CAISO shall charge the Generation Project Owner and the Generation Project Owner shall pay the actual costs of the Affected System Study as described in Section 3.5.1 of Appendix DD of the CAISO Tariff ("GIDAP").

As described section 3.5.1 of the GIDAP the CAISO shall deposit all study deposits in an interest-bearing account at a bank or financial institution designated by the CAISO. The study deposit shall be applied to pay for prudent costs incurred by the CAISO, the Participating TO, or third parties at the direction of the CAISO or the Participating TO, as applicable, to perform and administer the Affected System Study and to meet and otherwise communicate with Generation Project Owner with respect to its Request.

Any difference between the deposits made toward the Affected System Study and associated administrative costs, and the actual costs of the Affected System Study and associated administrative costs shall be paid by or refunded to the Generation Project Owner, including applicable interest.

2.4 Notice of Withdrawal. In the event the Generation Project Owner withdraws its project from the Interconnecting System's process, the Generation Project Owner may withdraw its Request at any time by written notice to the CAISO, with supporting documentation from the Interconnecting System that the project is withdrawn from their process. Upon receipt of such notice, the CAISO will cease all study work.

2.5 Impact of System Changes. Substantial portions of technical data and assumptions used to perform

~~the Affected System Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Affected System Study results to the Generation Project Owner. The Affected System Study results will reflect available data at the time the CAISO provides the Affected System Study report to the Generation Project Owner. The CAISO or the Participating TO shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Generation Project Owner as a result of changes in such data and assumptions.~~

~~**2.6 Network Upgrades Agreement.** If the CAISO determines that network upgrades are required to mitigate the Generation Project Owner's interconnection, the Parties will negotiate and enter into a separate agreement that sets forth the provisions for the construction timeline and estimated costs provisions for those network upgrades. A modified version of Appendix EE to the CAISO Tariff ("LGIA") will serve as the template for this separate agreement.~~

~~**2.7 Repayment of Network Upgrades.** The interconnection customer will be eligible for repayment of amounts advanced for Network Upgrades consistent with Section 14.3.2 for Interconnection Customers in Queue Cluster 6 and later. To the extent that such repayment does not cover all of the costs of Generation Project Owner's Network Upgrades, the Generation Project Owner will be eligible to receive Merchant Transmission Congestion Revenue Rights in accordance with CAISO Tariff Section 36.11 associated with those Network Upgrades, or portions thereof that were funded by the Generation Project Owner. The Participating TO will own and operate the Network Upgrades regardless of repayment eligibility.~~

ARTICLE III TERM AND TERMINATION

~~**3.1 Effective Date.** This Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC, if such FERC filing is required, and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.~~

~~**3.2 Termination**~~

~~**3.2.1 Termination by CAISO.** The CAISO may terminate this Agreement by giving written notice of termination in the event that the Generation Project Owner commits any material default under this Agreement and/or the CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given, to the Generation Project Owner, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article 7 of this Agreement. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC, if this Agreement was filed with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination, if filed with FERC, or thirty (30) days after the date of the CAISO's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.~~

~~**3.2.2 Termination by Generation Project Owner.** In the event that the Generation Project Owner no longer wishes to have the CAISO and Participating TO continue the Affected System Study, it may terminate this Agreement, on giving the CAISO not less than thirty (30) days written notice. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC, if this Agreement has been filed with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the~~

notice of termination by the CAISO with FERC will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within thirty (30) days of receipt of such request; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. This Agreement shall terminate upon acceptance by FERC of such a notice of termination, if such notice is required to be filed with FERC, or upon thirty (30) days after the CAISO's receipt of the Generation Project Owner's notice of termination, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

ARTICLE IV DISPUTE RESOLUTION

4.1 Dispute Resolution. The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to the Generation Project Owner and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 Representation and Warranties. Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

5.2 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.

ARTICLE VI LIABILITY

6.1 Liability. The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to the Generation Project Owner and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE VII UNCONTROLLABLE FORCES

7.1 Uncontrollable Forces Tariff Provisions. Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to the Generation Project Owner and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE VIII MISCELLANEOUS

8.1 Assignments. Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or

obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

- 8.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to the Generation Project Owner and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 3. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 8.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 8.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 8.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 8.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 8.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect, and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.
- 8.8 Records.** The CAISO shall maintain records and accounts of all costs incurred in performing the Affected System Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Generation Project Owner shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Generation Project Owner shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Generation Project Owner of the CAISO's notification of the final costs of the Affected System Study.

~~8.9 — Amendments. This Agreement may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms, and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder, and the Generation Project Owner 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 FPA and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.~~

~~8.10 — Counterparts. This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.~~

~~IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.~~

~~California Independent System Operator Corporation~~

~~By: _____
Name: _____
Title: _____
Date: _____~~

~~[Name of Generation Project Owner]~~

~~By: _____
Name: _____
Title: _____
Date: _____~~

Appendix DD

* * * * *

3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

~~Except for Interconnection Customers requesting processing under the Independent Study Process or Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window. The Cluster Application Window will open on April 1 and close on April 15 of each year. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day. The CAISO will not accept new Interconnection Requests pursuant to this GIDAP. New Interconnection Requests must be submitted consistent with the RIS.~~

* * * * *

7.4.3 Effective with the effective date of the RIS, the CAISO will conduct the annual reassessment under the timelines set forth in the RIS. Such Any changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

- (i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and \$1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network Upgrades included in the Interconnection Customer's plan of service.

- (ii) If an Interconnection Customer's Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO's system that occurs after the completion of the Interconnection Customer's Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer's estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer's Phase II Interconnection Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer's Maximum

Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Studies. For Interconnection Customers with complete Phase II Interconnection Studies, the CAISO will publish advisory, non-binding updates to those studies in the reassessment, and binding updates in the following Interconnection Facilities Study.

* * * * *

Section 17. Cluster 15 Unique Procedures

Notwithstanding Section 3.3.1, the CAISO will not open a Queue Cluster Application Window in 2024. The CAISO Tariff and the GIDAP will apply to Queue Cluster 15 with the following exceptions Except for this Section 17, Cluster 15 will be subject to the RIS and not the GIDAP. :

17.1 Study Procedures and Timelines

- a) Consistent with the process set forth in Section 3.5.2, the CAISO will validate Cluster 15 Interconnection Requests by between January 1, 2025 and September 26 ~~May 1, 2025~~. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 15. Interconnection Customers in Cluster 15 must submit any element required under Section 3.5.1 of the RIS not previously submitted before May 1, 2025.
- b) Between ~~May~~ October 1, 2024 and ~~September~~ December 1 ~~26~~, 2024, Interconnection Customers may submit any element required under Section 3.5.1 of the RIS not previously submitted. During this time. Interconnection Customers also may modify their Interconnection Requests (a) as permissible under Section 6.7.2.2(a) – (h) of this GIDAP; (b) to change generating technology or fuel; and (c) to add or increase energy storage capacity. The CAISO will not accept any modification under this Section 17.1(b) that would result in increasing the Interconnection Service Capacity requested. Interconnection Customers modifying their Interconnection Requests must submit updated information required under Section 3.5 to reflect the modification. ~~The CAISO will assess any costs for processing the modification to the Interconnection Customer's Interconnection Study Deposit.~~ Modifications effected pursuant to this provision will not affect Interconnection Customers' rights to modify their Interconnection Requests after ~~September 26~~ December 1, 2024 under the ~~GIDAP~~ RIS.
- c) An Interconnection Customers that withdraws its Interconnection Request prior to ~~April~~ January 1, 2025~~4~~ will receive a refund of its Interconnection Study Deposit, including any interest earned, minus any costs expended ~~under the GIDAP~~ on the Interconnection Customer's behalf. If an Interconnection Customer submitted a Site Exclusivity Deposit, it will receive a complete refund of its Site Exclusivity Deposit, including any interest earned. Withdrawals effected pursuant to this provision will not affect Interconnection Customers' rights to withdraw after ~~April~~ January 1, 2025~~4~~, and receive any corresponding refund and interest under the ~~GIDAP~~ RIS, ~~including without limitation Section 3.5.1.4.~~
- d) ~~Except as provided herein, all Interconnection Requests in Cluster 15 will not progress or be subject to post-validation requirements until they are validated. GIDAP provisions stating when the CAISO and Participating TOs must initiate and publish Interconnection Studies will not apply. All deadlines, rights, and responsibilities under the GIDAP contingent on the publication of Interconnection Studies will not apply. The CAISO will begin the Cluster 15 Cluster Study on June 1, 2025. With the commencement of the Cluster Study, the CAISO, Participating TOs, and~~

Interconnection Customers will comply with all RIS provisions, schedules, rights, and obligations.

- ~~e) The CAISO will not accept Independent Study Process Interconnection Requests pursuant to Section 4 until Cluster 15 has received its Phase I Interconnection Study results.~~
- ~~f) The CAISO will include Cluster 15 Interconnection Requests in its reporting data under Section 3.6.~~

Appendix KK

Resource Interconnection Standards (RIS)

Table of Contents

Section 1 Objectives And Applicability.....	6
1.1 Objectives and Applicability.....	6
1.2 Definitions.....	6
1.3 Pre-Application.....	6
Section 2 Scope and Application.....	7
2.1 Application of Generator Interconnection Procedures.....	7
2.2 Comparability.....	7
2.3 Interconnection Base Case Data.....	8
2.4 Interconnection Service and Studies.....	8
2.4.1 No Applicability to Transmission Service.....	8
2.4.2 The Product.....	8
2.4.3 The Interconnection Studies.....	8
Section 3 Interconnection Requests.....	9
3.1 General.....	9
3.2 Roles and Responsibilities.....	11
3.3 Timing for Submitting Interconnection Requests.....	11
3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster.....	11
3.3.2 Timing for Submitting Interconnection Requests for Fast Track Process.....	11
3.3.3 Timing for Wholesale Distribution Transfers.....	11
3.4 Surplus Interconnection Service.....	12
3.5 Processing of Interconnection Requests.....	13
3.5.1 Initiating an Interconnection Request.....	13
3.5.2 Customer Engagement Window.....	17
3.5.3 Day-for-day Extensions.....	18
3.6 Internet Posting.....	18
3.6.1 Interconnection Studies Statistics.....	19
3.6.2 Retention.....	21
3.6.3 FERC Reporting.....	21
3.7 Coordination with Affected Systems.....	22
3.7.1 Timing for Identification of Identified Affected Systems.....	22
3.8 Withdrawal.....	23
3.8.1 Withdrawal Penalty.....	23
3.8.2 Notification to CAISO and Accounting by Applicable Participating TO(s).....	24
3.9 Transferability of Interconnection Request.....	25
3.10 Emergency Interconnection Process.....	25
3.11 Penalties for Failure to Meet Study Deadlines.....	26
Section 4 [Not Used].....	27
Section 5 Fast Track Process.....	27
5.1 Applicability and Initiation of Fast Track Process Request.....	27
5.2 Initial Review.....	28
5.2.1 Screens.....	28
5.3 [Not Used].....	29
5.4 Customer Options Meeting.....	29
5.5 Supplemental Review.....	30
Section 6 Cluster Study Process.....	32
6.1 Initial Activities Following the Close of the Cluster Application Window.....	32
6.1.1 [Intentionally Omitted].....	32
6.1.2 Scoping Meeting.....	32
6.1.3 Grouping Interconnection Requests.....	33
6.2. Scope and Purpose of Cluster Study.....	34
6.3 Identification of and Cost Allocation for Network Upgrades.....	35
6.3.1 Reliability Network Upgrades (RNUs).....	35
6.3.2 Delivery Network Upgrades.....	36
6.3.3 Interconnection Facilities.....	37
6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities.....	

	Costs.....	37
6.5	Assigned and Contingent Facilities.....	37
6.6	Cluster Study Procedures.....	38
6.7	Cluster Study Report Meeting.....	38
6.7.1	[Not Used].....	38
6.7.2	Modifications.....	38
6.7.3	[Not Used].....	43
6.7.4	Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue	43
6.7.5	Alignment with Power Purchase Agreements.....	44
6.8	Revisions and Addenda to Final Interconnection Study Reports.....	44
6.8.1	Substantial Error or Omissions; Revised Study Report.....	44
6.8.2	Other Errors or Omissions; Addendum.....	45
6.8.3	Only Substantial Errors or Omissions Adjust Posting Dates.....	45
6.8.4	Substantial Errors or Omissions Allowing Refunds.....	46
<u>Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection</u>		
	Facilities Study.....	46
7.1	[Not Used].....	46
7.2	Full/Partial Capacity Deliverability Options for Interconnection Customers.....	46
7.3	[Not Used].....	46
7.4	Reassessment Process.....	47
7.4.1	Cluster Study Restudy.....	47
7.5	Option (B) Customers.....	49
7.6	Application of Withdrawal Penalties and Non-Refundable Amounts.....	50
<u>Section 8 Interconnection Facilities Study and TP Deliverability Allocation Processes.....</u>		
8.1	Interconnection Facilities Study.....	51
8.1.1	Interconnection Facilities Study Agreement.....	51
8.1.2	Scope of the Interconnection Facilities Study.....	52
8.1.3	[Not Used].....	53
8.1.4	[Not Used].....	53
8.1.5	[Not Used].....	53
8.2	[Not Used].....	53
8.3	[Not Used].....	53
8.4	[Not Used].....	53
8.5	Interconnection Facilities Study Procedures.....	53
8.6	Interconnection Facilities Restudy.....	53
8.7	Results Meeting With the CAISO and Applicable PTO(s).....	54
8.8	[Intentionally Omitted].....	54
8.9	Allocation Process for TP Deliverability.....	54
8.9.1	First Component: Representing TP Deliverability Used by Prior Commitments.....	54
8.9.2	Second Component: Allocating TP Deliverability.....	55
8.9.3	Retaining TP Deliverability Allocation.....	58
8.9.4	Parking for Option (A) Generating Facilities.....	59
8.9.5	Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities.....	60
8.9.6	Declining TP Deliverability Allocation.....	61
8.9.7	Interim Deliverability.....	61
8.9.8	Updates to Interconnection Study Results.....	62
8.9.9	Deliverability Transfers.....	62
<u>Section 9 Additional Deliverability Assessment Options.....</u>		
9.1	[Intentionally Omitted].....	62
9.2	[Intentionally Omitted].....	62
9.3	PTO Tariff Option for Full Capacity Deliverability Status.....	62
9.4	Deliverability from Non-Participating TOs.....	62
<u>Section 10 Cost Responsibility for Interconnection Customers.....</u>		
10.1	Interconnection Customers in a Queue Cluster.....	64
10.2	[Not Used].....	64

Section 11 Commercial Readiness Deposit and GIA Deposit.....	64
11.1 Types of Commercial Readiness Deposit and GIA Deposit.....	64
Section 12 Engineering & Procurement (“E&P”) Agreement.....	65
Section 13 Generator Interconnection Agreement (GIA).....	65
13.1 Tender.....	65
13.2 Negotiation.....	66
13.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report	66
13.3 Execution and Filing.....	67
13.4 Commencement of Interconnection Activities.....	67
13.5 Interconnection Customer to Meet PTO Handbook Requirements.....	67
Section 14 Construction and Neighboring System Impacts.....	68
14.1 Schedule.....	68
14.2 Construction Sequencing.....	68
14.2.1 General.....	68
14.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer.....	68
14.2.3 Advancing Construction of Network Upgrades that are Part of the CAISO’s Transmission Plan.....	69
14.2.4 Limited Operation Study.....	69
14.3 Network Upgrades.....	70
14.3.1 Initial Funding.....	70
14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security.....	71
14.4 Special Provisions for Affected Systems, Other Affected PTOs.....	73
14.4.1 Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs.....	74
14.5 CAISO as an Affected System.....	74
14.5.1 Applicability.....	74
14.5.2 Response to Notifications.....	74
14.5.3 Affected System Queue Position.....	75
14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement.....	75
14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement.....	75
14.5.6 Scope of Affected System Study.....	76
14.5.7 Affected System Study Procedures.....	77
14.5.8 Meeting with the CAISO and Participating TO.....	77
14.5.9 Affected System Cost Allocation.....	77
14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement.....	77
14.5.11 Rerestudy.....	78
Section 15 Miscellaneous.....	78
15.1 Confidentiality.....	78
15.1.1 Scope.....	78
15.1.2 Release of Confidential Information.....	79
15.1.3 Rights.....	79
15.1.4 No Warranties.....	79
15.1.5 Standard of Care.....	79
15.1.6 Order of Disclosure.....	79
15.1.7 Remedies.....	80
15.1.8 Disclosure to FERC, its Staff, or a State.....	80
15.2 Delegation of Responsibility.....	81
15.3 [Not Used].....	81
15.4 [Not Used].....	81
15.5 Disputes.....	81
15.5.1 Submission.....	81
15.5.2 External Arbitration Procedures.....	81

15.5.3	Arbitration Decisions	82
15.5.4	Costs.....	82
15.5.5	Non-binding Alternative Dispute Resolution	82
15.6	Local Furnishing Bonds	83
15.6.1	Participating TOs that Own Facilities Financed by Local Furnishing Bonds	83
15.6.2	Alternative Procedures for Requesting Interconnection Service.....	83
15.7	Change in CAISO Operational Control.....	83
	Appendix 1 Interconnection Request INTERCONNECTION REQUEST.....	84
	Attachment A Generating Facility Data GENERATING FACILITY DATA.....	87
	Appendix 2 [Intentionally Omitted].....	95
	Appendix 3 CLUSTER STUDY AGREEMENT FOR QUEUE CLUSTERS	96
	Appendix A [Not Used].....	101
	Appendix B INTERCONNECTION FACILITIES STUDY AGREEMENT AND	102
	DATA FORM TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER PRIOR TO	
	COMMENCEMENT OF THE INTERCONNECTION FACILITIES STUDY.....	102
	Appendix 4 AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO	
	GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY	
	AGREEMENTS.....	106
	ATTACHMENT A INTERCONNECTION STUDY RESPONSIBILITY ALLOCATION	112
	ATTACHMENT B CONTACTS FOR NOTICES.....	114
	Appendix 5 Schedule for Release and Review of Per Unit Costs	115
	Appendix 6 [Intentionally Omitted].....	116
	Appendix 7 Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-	
	Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process").....	117
	Appendix 8 [intentionally omitted].....	125
	Appendix 9 Certification Codes and Standards	126
	Appendix 10 Certification of Small Generator Equipment Packages	127
	APPENDIX 11	128
	Attachment A to Appendix 11.....	130
	APPENDIX 12	131
	Attachment A to Appendix 12.....	133
	APPENDIX 13	134
	Attachment A to Appendix 13.....	148
	Attachment B to Appendix 13.....	150
	Attachment C to Appendix 13	151
	APPENDIX 14 TO RIS.....	152
	Attachment A to Appendix 14.....	167
	Attachment B to Appendix 14.....	169
	Attachment C to Appendix 14.....	170

Section 1 Objectives And Applicability

1.1 Objectives and Applicability

The objective of these Resource Interconnection Standards (RIS) is to implement the requirements for both Small and Large Generating Facility interconnections to the CAISO Controlled Grid and to provide a process for allocating Transmission Plan Deliverability for Interconnection Requests starting with Queue Cluster 15 and for subsequent Queue Clusters. This RIS applies to Interconnection Requests that are either assigned to Queue Cluster 15 and subsequent Queue Clusters, or submitted for the Fast Track Process after the RIS is effective. The exception to this rule of limited applicability is the annual reassessment process set forth in Section 7.4, which will apply to all CAISO Interconnection Customers in Queue Clusters.

1.2 Definitions

Unless the context otherwise requires, any word or expression defined in the Master Definitions Supplement, Appendix A to the CAISO Tariff, will have the same meaning where used in this RIS. References to the RIS are to this Appendix KK.

1.3 Pre-Application

1.3.1 An Interconnection Customer with a proposed Small Generating Facility may submit a formal written request form along with a non-refundable fee of \$300 to the CAISO for a pre-application report on a proposed project at a specific site. The CAISO shall provide the pre-application data described in Section 1.3.2 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The CAISO shall coordinate with the Participating TO to complete the pre-application report. At the request of the CAISO, the Participating TO shall provide any readily available information necessary to complete the pre-application report. Readily available information shall mean information that the Participating TO currently has on hand. The Participating TO is not required to create new information but is required to compile, gather, and summarize information that it has on hand in a format that presents the information in a manner that informs the Interconnection Customer regarding issues related to its proposed Small Generating Facility. If providing any item in the pre-application report would require the Participating TO to perform a study or analysis beyond gathering and presenting existing information, then the information shall be deemed not readily available. The pre-application report produced by the CAISO is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the CAISO's system. The written pre-application report request form shall include the information in Sections 1.3.1.1 through 1.3.1.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection that is under CAISO operational control.

1.3.1.1 Project contact information, including name, address, phone number, and email address.

1.3.1.2 Project location (street address with nearby cross streets and town).

1.3.1.3 Single proposed Point of Interconnection that is either an existing substation or a transmission line under CAISO operational control.

1.3.1.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

1.3.1.5 Size (alternating current kW/MW)

1.3.1.6 Single or three phase generator configuration

1.3.1.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)

1.3.1.8 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/MW (if available) and specify if the load is expected to change.

1.3.2 Subject to Section 1.3.1, the pre-application report will include the following information:

1.3.2.1 Electrical configuration of the substation, including information of transmission lines terminating in the substation, transformers, buses and other devices, if the proposed Point of Interconnection is a substation.

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

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

1.3.2.4 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit issues, instability issues, facility loading issues, or voltage issues.

1.3.2.5 Available capacity on a substation or circuit likely to serve the proposed Point of Interconnection.

1.3.3 The pre-application report need only include existing data. A pre-application report request does not obligate the CAISO to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the CAISO cannot complete all or some of a pre-application report due to lack of available data, the CAISO shall provide the Interconnection Customer with a pre-application report that includes the data that is available. 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 section, the CAISO shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

Section 2 Scope and Application

2.1 Application of Generator Interconnection Procedures

This RIS applies to processing an Interconnection Request pertaining to a Generating Facility that is either: (i) assigned to Queue Clusters 15 and subsequent Queue Clusters, or (ii) included in the Fast Track Process, after the RIS is effective.

2.2 Comparability

The CAISO shall receive, process, and analyze Interconnection Requests in a timely manner as set forth in this RIS. The CAISO will process and analyze Interconnection Requests from all Interconnection Customers as set forth in this RIS, regardless of whether the Generating Facilities are owned by a Participating TO, its subsidiaries, or Affiliates or others.

2.3 Interconnection Base Case Data

For each Interconnection Study Cycle, the CAISO, in coordination with applicable Participating TO(s), shall maintain updated Interconnection Base Case Data, including, as applicable, separate Interconnection Base Case Data for each Cluster Study to reflect system conditions particular to the Cluster Study, to a secured section of the CAISO Website. Interconnection Base Case Data will represent the network model and underlying assumptions used during the most recent Interconnection Study and represent system conditions in the near term planning horizon. The CAISO will update and publish the Interconnection Base Case Data prior to the Cluster Study, after the Cluster Study, before the annual reassessment, and after the annual reassessment to reflect new and withdrawn Interconnection Requests and resulting changes to identified transmission upgrades as applicable.

Interconnection Base Case Data shall include information subject to the confidentiality provisions in Section 15.1.

The CAISO shall require current and former Interconnection Customers, Market Participants, and electric utility regulatory agencies within California to sign a CAISO confidentiality agreement and, where the current or former Interconnection Customer or Market Participant is not a member of WECC, or its successor, an appropriate form of agreement with WECC, or its successor, as necessary. All other entities or persons seeking Interconnection Base Case Data must satisfy the foregoing requirements as well as all requirements under 18 C.F.R. Section 388.113 for obtaining the release of Critical Energy Infrastructure Information (as that term is defined by FERC). The CAISO will maintain a link on OASIS to the secured section of the CAISO website with the Interconnection Base Case Data.

2.4 Interconnection Service and Studies

2.4.1 No Applicability to Transmission Service.

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

2.4.2 The Product.

Interconnection Service allows the Interconnection Customer to connect the Generating Facility to the CAISO Controlled Grid and be eligible to deliver the Generating Facility's output using the available capacity of the CAISO Controlled Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or point of delivery or rights to any specific MW of available capacity on the CAISO Controlled Grid.

2.4.3 The Interconnection Studies.

For Interconnection Requests in Queue Cluster 15 and subsequent Queue Clusters, the Interconnection Studies consist of a Cluster Study, an annual reassessment, and an Interconnection Facilities Study, and any updates to reflect the results of a reassessment conducted after the TP Deliverability allocation process for the Queue Cluster.

2.4.3.1 The Cluster Studies

The Cluster Studies for Queue Cluster Generating Facilities will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The Cluster Studies will identify direct Interconnection

Facilities and required Reliability Network Upgrades necessary to interconnect the Generating Facility, mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service. The stability and steady state studies will identify necessary upgrades to allow full output of the proposed Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Generating Facility without requiring additional Network Upgrades. The Cluster Studies will also identify LDNUs that have selected Full Capacity, Partial and Capacity Deliverability Status, as applicable. Such Network Upgrades shall be identified in accordance with the Deliverability Assessments set forth in Section 6.3.2. The Cluster Studies will also provide cost estimates for ADNUs, as described in Section 6.3.2. The Cluster Study report shall include cost estimates for RNUs, LDNUs, and ADNUs.

2.4.3.2 The Reassessment

Before each Cluster Study, the CAISO will conduct a reassessment, as specified in Section 7.4, to conform the Base Case and Interconnection Base Case Data to account for later conditions since the CAISO performed the Cluster Study in the prior Interconnection Study Cycle.

2.4.3.3 The Interconnection Facilities Study

After the Cluster Study, the CAISO and Participating TO will conduct the Interconnection Facilities Study to determine a list of facilities (including the Participating TO's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of this RIS.

2.4.3.4 Update Following TP Deliverability Allocation Process

Following the completion of Interconnection Facilities Studies for the Queue Cluster and provision by the CAISO of the results to Interconnection Customers in the Queue Cluster, the CAISO will perform the allocation of TP Deliverability to eligible Generating Facilities in accordance with Section 8.9. Based on the results of the allocation process and the responses to those results as reported by affected Interconnection Customers to the CAISO, the CAISO will provide updates where needed to the Interconnection Study reports of affected Interconnection Customers.

Section 3 Interconnection Requests

3.1 General

Pursuant to CAISO Tariff Section 25.1, a duly authorized officer or agent of the Interconnection Customer will submit to the CAISO (1) an Interconnection Request consistent with Appendix 1 to this RIS, including (2) an executed Cluster Study Agreement consistent with Appendix 3 to this RIS. All forms may be submitted electronically as provided on the CAISO Website. Interconnection customers will submit Appendix B to the Cluster Study Agreement, the Interconnection Facilities Study Agreement, pursuant to Section 8 of this RIS. The CAISO will

forward a copy of the Interconnection Request to the applicable Participating TO within five (5) Business Days of receipt.

The Interconnection Customer shall submit a separate Interconnection Request for each site. Where multiple Generating Units share a site, the Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At the Interconnection Customer's option, the CAISO, Participating TO, and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. The Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the end of the Customer Engagement Window. For purposes of clustering Interconnection Requests, the CAISO and Participating TO may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. The CAISO will notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection will only change upon mutual agreement.

Interconnection Customers may request Interconnection Service Capacity below the Generating Facility Capacity. The CAISO will study these requests for Interconnection Service at the level of Interconnection Service Capacity requested for purposes of Interconnection Studies, Network Upgrades, and associated costs. If the Generating Facility Capacity requires additional Network Upgrades beyond the Interconnection Service Capacity, the CAISO will provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade cost required for safety and reliability will be assigned to the Interconnection Customer and eligible for reimbursement consistent with the treatment of Interconnection Facilities and Network Upgrade provided in this RIS. Interconnection Customers may be subject to additional control technologies, as well as testing and validation of those technologies consistent with Article 6 of the GIA and Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed, or requested to be filed unexecuted, GIA.

The CAISO will study Generating Units that include at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If the CAISO and Participating TO find the Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, they must provide the Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) calendar days before the end of the Customer Engagement Window and allow the Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) calendar days prior to the end of the Customer Engagement Window. The CAISO and Participating TO will study these requests for Interconnection Service, with the study costs borne by the Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. The Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems will be set forth in Appendix C of the

Interconnection Customer's LGIA.

3.2 Roles and Responsibilities

- (a) Each Interconnection Request will be subject to the direction and oversight of the CAISO. The CAISO will conduct or cause to be performed the required Interconnection Studies and any additional studies the CAISO determines to be reasonably necessary, and will direct the applicable Participating TO to perform portions of studies where the Participating TO has specific and non-transferable expertise or data and can conduct the studies more efficiently and cost effectively than the CAISO. The CAISO will coordinate with Affected System Operators in accordance with Section 3.7.
- (b) The CAISO will complete or cause to be completed all studies as required within the timelines provided in this. Any portion of the studies performed at the direction of the CAISO by the Participating TOs or by a third party shall also be completed within timelines provided in this RIS.
- (c) The CAISO has established a pro forma Roles and Responsibilities Agreement, attached hereto as Appendix 4 and incorporated herein by reference, for execution by the CAISO and the applicable Participating TOs.
- (d) Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the CAISO determines to be reasonably necessary in response to the Interconnection Request. The CAISO shall reimburse the Participating TO for the actual cost of any portion of all Interconnection Studies that such Participating TO performs at the direction of the CAISO.

3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

Except for Interconnection Customers requesting processing under the Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window.

The CAISO will accept Interconnection Requests during a fifteen (15) day period (the Cluster Application Window). Beginning in 2026, the initial Cluster Application Window for Interconnection Requests will open annually on October 1 and close on October 15. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day.

3.3.2 Timing for Submitting Interconnection Requests for Fast Track Process

Interconnection Customers may submit Interconnection Requests for processing under the Fast Track Process at any time during the year.

3.3.3 Timing for Wholesale Distribution Transfers

After the Cluster Application Window, the CAISO will accept Interconnection Requests from Utility Distribution Companies that accepted interconnection requests for wholesale participation the Interconnection Customer reasonably believed were to the distribution grid based on available information, but should have been to the CAISO Controlled Grid. The CAISO will only accept those Interconnection Requests it can include in the Cluster Study without delaying that Queue Cluster. The CAISO will not accept any Interconnection Request transfers after the commencement of the Cluster Study.

After the Utility Distribution Company has transferred the Interconnection Request to the CAISO, the CAISO will notify the Interconnection Customer whether it can be included in the Cluster Study and request any data still required under Section 3.5.1.

3.4 Surplus Interconnection Service

The CAISO will allow an Interconnection Customer to utilize or transfer Surplus Interconnection Service once the Interconnection Customer has executed the GIA or requested that the GIA be filed unexecuted. The Interconnection Customer will notify the CAISO that it has transferred its Surplus Interconnection Service to another entity. The total Interconnection Service Capacity of the original Interconnection Customer and the assignee of the Surplus Interconnection Capacity may not exceed the original Interconnection Customer's constructed Generating Facility Capacity, regardless of the Interconnection Service Capacity it requested in its Interconnection Request or memorialized in its GIA. The Generating Facility of the assignee must interconnect at the same Point of Interconnection as the original Interconnection Customer. The CAISO and Participating TO will study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

If the assignee's Generating Facility would not require a new Interconnection Request pursuant to Section 25.1.1 of the CAISO Tariff, the original Interconnection Customer may transfer Surplus Interconnection Service, and the CAISO will study the transfer, as a modification under Section 6.7.2. Otherwise, the assignee of the Surplus Interconnection Service will submit an Interconnection Request pursuant to Section 3.3 of this RIS. The Cluster Study process will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Reimbursement for additional Reliability Network Upgrades will be capped pursuant to Section 14.3.2 of this RIS. The CAISO will use the constructed Generating Facility Capacity of the original Interconnection Customer for the MW value of the RNU reimbursement cap, and will subtract the costs of the original Interconnection Customer's Reliability Network Upgrades to determine any remaining eligible reimbursement under the cap for the assignee's Reliability Network Upgrades, if any.

Notwithstanding any other provision in this RIS, if the original Interconnection Customer has Full or Partial Capacity Deliverability Status, it will notify the CAISO whether its transfer of Surplus Interconnection Service includes any Deliverability currently associated with the constructed Generating Facility capacity. The transfer amount of Deliverability may not exceed the transfer amount of Surplus Interconnection Service. The transfer amount of Surplus Interconnection Service will not operate as a basis to increase the Net Qualifying Capacity of the Generating Facility (including the expansion) that pre-existed the transfer. In all cases, the original Generating Facility and the behind-the-meter capacity expansion will be metered separately from one another and be assigned separate Resource IDs. If the original Interconnection Customer's Generating Facility permanently retires, or ceases operation for three (3) years without having begun active construction of a repowered Generating Facility, both the original Interconnection Customer and the assignee of the Surplus Interconnection Service will be converted to Energy Only. At any point, the assignee may seek its own TP Deliverability allocation pursuant to Section 8.9 of this RIS. If the assignee receives its own TP Deliverability allocation, it will exist completely independent of the original Interconnection Customer and will not be converted to Energy Only due to the retirement or inoperability of the original Interconnection Customer, notwithstanding any other provision herein.

The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend the original Interconnection Customer's GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA.

3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Queue Cluster will submit its Interconnection Request to the CAISO within, and no later than the close of, the Cluster Application Window. Interconnection Requests submitted outside of the Cluster Application Window will not be considered. To initiate an Interconnection Request except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window:

- (i) Applicable Interconnection Study Deposit amount, pursuant to Section 3.5.1.1 of this RIS.
- (ii) A completed application in the form of Appendix 1, including requested Deliverability statuses, requested study process (either Queue Cluster or Fast Track Study Process), preferred Point of Interconnection and voltage level, and all other required technical data, including all data requested in Attachment A to Appendix 1 in Excel format.
- (iii) Demonstration of no less than ninety percent (90%) Site Control; or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as defined in the Business Practice Manuals; (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions that must be met to satisfy the regulatory limitations and the anticipated time by which the Interconnection Customer expects to satisfy the regulatory requirements; and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use.
- (iv) A load flow model.
- (v) A dynamic data file.
- (vi) A reactive power capability document.
- (vii) A site drawing.
- (viii) A single-line diagram.
- (ix) A flat run plot and a bump test plot from the positive sequence transient stability simulation application.
- (x) A plot showing the requested MW at the Point of Interconnection from the positive sequence load flow application.
- (xi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.5.1.1 of this RIS in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to the CAISO under Section 11.1 of this RIS. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.8 of this RIS.

(xii) If applicable, (a) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by the Interconnection Customer.

The CAISO requires the foregoing information to be complete and specific to the Interconnection Request. The CAISO will first determine whether a submitted Interconnection Request is complete. The CAISO will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received by the CAISO. Consistent with Section 3.5.3, the CAISO will review each Interconnection Request and notify the Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Any Interconnection Customer that has not submitted a complete Interconnection Request by October 15 (or the next Business Day if October 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO requires Interconnection Study Deposits to review and validate the Interconnection Request. Notwithstanding Section 3.5.2 of this RIS or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by October 15 (or the next Business Day if October 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

3.5.1.1 Interconnection Study Deposit.

The Interconnection Customer will submit to the CAISO, during a Cluster Application Window, an Interconnection Request in the form of Appendix 1 to this RIS, a non-refundable application fee of \$5,000, and a refundable study deposit:

- a. \$35,000 plus \$1,000 per MW for Interconnection Requests < 80 MW, or;
- b. \$150,000 for Interconnection Requests ≥ 80 MW < 200 MW; or
- c. \$250,000 for Interconnection Requests ≥ 200 MW.

The CAISO will apply the study deposit toward the cost of the Cluster Study Process.

The CAISO shall deposit all Interconnection Study Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the CAISO, the Participating TOs, or third parties at the direction of the CAISO or Participating TOs, as applicable, to perform and administer the Interconnection Studies and to meet and otherwise communicate with Interconnection Customers with respect to their Interconnection Requests.

3.5.1.2 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request

prior to the commencement of the Cluster Study, Interconnection Customer must pay the CAISO the actual costs of processing its Interconnection Request.

In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. The costs of any Interconnection Study conducted on a clustered basis will be allocated among each Interconnection Customer within the Cluster as follows:

Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a per capita basis.

Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a pro rata basis.

Following offsets from Withdrawal Penalties assessed pursuant to Section 7.6, the actual costs of each reassessment, as set forth in Section 7.4, will be allocated among each Interconnection Customer in the same manner as above.

Any difference between the study deposit and the actual cost of the Interconnection Studies will be paid by or refunded, except as otherwise provided herein, to Interconnection Customers. Any invoices for Interconnection Studies will include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customers will pay any such undisputed costs within thirty (30) days of receipt of an invoice therefor. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request will be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.8 of this RIS.

The Participating TO and any third parties performing work on the Interconnection Customer's behalf shall invoice the CAISO for such work, and the CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the Study Deposit any undisputed costs within thirty (30) calendar days of issuance of an invoice. 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 CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study, or portions thereof, is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study or portions thereof.

3.5.1.3 Site Control and Site Control Deposit.

Interconnection Customer shall promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. If the CAISO determines, based on the Interconnection Customer's information, that the Interconnection Customer no longer satisfies the Site Control requirement, the CAISO shall give the Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to the CAISO's approval. Absent such, the CAISO shall deem the Interconnection Request withdrawn pursuant to

Section 3.8 of this RIS.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before the end of the Customer Engagement Window. Such deposit will be held by the CAISO until the Interconnection Customer provides the required Site Control demonstration for its point in the Cluster Study Process. An Interconnection Customer facing qualifying regulatory limitations must demonstrate one-hundred percent (100%) Site Control within one hundred eighty (180) days of the effective date of the GIA.

The CAISO shall deposit all Site Control Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site Control Deposit and all interest shall be refundable to the Interconnection Customer at any time upon demonstration of Site Control.

3.5.1.4 Proposed Commercial Operation Date.

In the initial Interconnection Request, the proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, 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 (7) year period. The CAISO'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 Section 8.9.3 for retention of TP Deliverability.

Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request will be used to calculate the permissible extension prior to Interconnection Customer executing a GIA or requesting that the GIA be filed unexecuted. After a GIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the GIA will be used to calculate the permissible extension. Such cumulative extensions may not exceed three (3) years including both extensions requested after execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO and those requested prior to execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO.

3.5.1.5 Third-party Interconnection Facilities.

Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities to be deemed valid pursuant to Section 3.5.2. Within twenty (20) days after the Cluster Study Report Meeting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

3.5.2 Customer Engagement Window.

Upon the close of each Cluster Application Window, the CAISO will open a ninety (90) calendar day period (Customer Engagement Window). During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon written consent of all Interconnection Customers within the Cluster, the CAISO may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, the CAISO will post on its Website a list of Interconnection Requests for that Cluster. The list will identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the Deliverability Status requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The CAISO must ensure that project information is anonymized and does not reveal the identity or commercial information of interconnection customers with submitted requests. During the Customer Engagement Window, the CAISO will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study. Interconnection Customers can access and execute the Cluster Study Agreement through the CAISO Website. Interconnection Customers must execute the Cluster Study Agreement prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 3 to this RIS will be included in the Cluster Study. Any Interconnection Requests not deemed valid at the close of the Customer Engagement Window will be deemed withdrawn (without the cure period provided under Section 3.8 of this RIS by the CAISO, the application fee will be forfeited to the CAISO, and the CAISO will return the Interconnection Study Deposit and Commercial Readiness Deposit to the Interconnection Customer. Immediately following the Customer Engagement Window, the CAISO will initiate the Cluster Study described in Section 6 of this RIS.

For each Interconnection Request that is deemed complete pursuant to Section 3.5.1, the CAISO and Participating TO will determine whether the Interconnection Request is valid. An Interconnection Request will be deemed valid if it does not contain deficiencies that would prevent its inclusion in the Cluster Study. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files.

The Interconnection Customer will provide the CAISO the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the end of the Customer Engagement Window. At any time, if the CAISO finds that the technical data provided by Interconnection Customer is incomplete or contains errors, the Interconnection Customer, Participating TO, and the CAISO will work expeditiously and in good faith to remedy such issues. In the event that the Interconnection Customer fails to comply with this Section, the CAISO will deem the Interconnection Request withdrawn (without the cure period provided under Section 3.8 of this RIS, the application fee is forfeited to the CAISO, and the Interconnection Study and Commercial Readiness Deposit will be returned to Interconnection Customer.

3.5.2.1 Validation Process.

The CAISO and Participating TO will notify the Interconnection Customer whether its Interconnection Request is valid or contains deficiencies within ten (10) Business Days of October 15 or when the Interconnection Request is deemed complete, whichever is later. All Interconnection Requests must be

deemed valid by the end of the Customer Engagement Window to be included in that year's Queue Cluster.

3.5.2.2 Deficiencies in Interconnection Request.

If an Interconnection Request has deficiencies, the CAISO shall include in its notification to the Interconnection Customer that the Interconnection Request does not constitute a valid request and explain the deficiencies. The Interconnection Customer shall provide the CAISO the corrected requested information needed to constitute a valid request. Consistent with Section 3.5, whenever corrected requested information is provided by the Interconnection Customer, the CAISO shall notify the Interconnection Customer within five (5) Business Days of receipt of the corrected requested information whether the Interconnection Request is valid. If the Interconnection Request continues to provide deficient information, the CAISO shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request is not deemed valid, the Interconnection Customer must cure all deficiencies no later than the close of the Customer Engagement Window. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in an Interconnection Study Cycle or otherwise studied.

Interconnection Requests deemed invalid under this Section 3.5.2.2 are not subject to Section 3.8. Interconnection Customers with invalid Interconnection Request under this Section 3.5.2.2 may seek relief under Section 15.5 by so notifying the CAISO within two (2) Business Days of the notice of invalidity.

3.5.3 Day-for-day Extensions

To the extent the CAISO and Participating TO cannot meet any deadline in this Section 3.5.2, the Interconnection Customer will receive a day-for-day extension on all remaining deadlines requiring its response.

3.6 Internet Posting

The CAISO will maintain on the CAISO 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 projected Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; (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); (ix) requested Deliverability statuses, and (x) project name.

Except in the case of an Affiliate, the list will not disclose the identity of the Interconnection Customer until the Interconnection Customer executes a GIA or requests that the applicable Participating TO(s) and the CAISO file an unexecuted GIA with FERC. The CAISO shall post on the CAISO Website an advance notice whenever a Scoping Meeting will be held with an Affiliate of a Participating TO.

The CAISO shall maintain on the CAISO Website: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each Point of Interconnection in the CAISO's footprint under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the CAISO's transmission system based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular Point of Interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the

distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; and (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the transmission system with the transfer simulated from each Point of Interconnection to the whole CAISO footprint, and with the incremental capacity at each Point of Interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested Interconnection Service limit of the generation). These metrics will be updated within thirty (30) days after the completion of each Cluster Study and Cluster Restudy. This information will be publicly posted, without a password or a fee on the CAISO Website. The CAISO Website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

The CAISO shall post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO shall further post to the secure CAISO Website portions of the Cluster Study that do not contain customer-specific information following the final Results Meeting and portions of the Interconnection Facilities Study that do not contain customer-specific information no later than publication of the final Transmission Plan under CAISO Tariff Section 24.2.5.2 (such posted information to be placed on the secure CAISO Website to protect any Critical Energy Infrastructure Information contained therein). The CAISO shall post to the secure CAISO Website any documents or other materials posted pursuant to this or a Business Practice Manual that contain Critical Energy Infrastructure Information.

3.6.1 Interconnection Studies Statistics

The CAISO will maintain on its Website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. The CAISO will maintain a link on OASIS to the CAISO Website with the interconnection statistics. These statistics will include:

3.6.1.1 Cluster Studies

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Studies completed during the reporting quarter;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Studies completed beyond the one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete Cluster Studies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than one hundred fifty (150) days before the reporting quarter end;
- (D) The mean time (in days) of Cluster Studies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.4.1 of this RIS to the date the CAISO provided the completed Cluster Study Report to the Interconnection Customer;
- (E) Mean time (in days), Cluster Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Study Report to the Interconnection Customer;

(F) The percentage of Cluster Studies exceeding the one hundred fifty (150) days to complete this reporting quarter, calculated as the sum of Section 3.6.1.1(B) plus Section 3.6.1.1(C), divided by the sum of Section 3.6.1.1(A) plus Section 3.6.1.1(C).

3.6.1.2 Cluster Restudies

(A) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed;

(B) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed beyond the one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window;

(C) The number of active, valid Interconnection Requests with ongoing incomplete Cluster Restudies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than one hundred fifty (150) days before the reporting quarter end;

(D) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.4.1 of this RIS to the date the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer;

(E) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer;

(F) The percentage of Cluster Restudies exceeding the one hundred fifty (150) days to complete this reporting quarter, calculated as the sum of Section 3.6.1.2(B) plus Section 3.6.1.2(C), divided by the sum of Section 3.6.1.2(A) plus Section 3.6.1.2(C).

3.6.1.3 Interconnection Facilities Studies Processing Time

(A) The number of Interconnection Requests to the CAISO Controlled Grid that had Interconnection Facilities Studies completed;

(B) The number of Interconnection Requests to the CAISO Controlled Grid that had Interconnection Facilities Studies completed beyond the one hundred twenty (120) days planned for the Interconnection Facilities Study pursuant to Section 8.5 of this RIS;

(C) The number of active, valid Interconnection Requests with ongoing incomplete Interconnection Facilities Studies that have exceeded the one hundred twenty (120) days planned for the Interconnection Study pursuant to Section 8.5 of this RIS;

(D) The mean time (in days) of Interconnection Facilities Studies completed from the date when the CAISO began the annual Interconnection Facilities Study pursuant to Section 8.5 of this RIS to the date the CAISO provided the completed

Interconnection Facilities Study to the Interconnection Customer:

- (E) The mean time (in days) of Interconnection Facilities Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Interconnection Facilities Study to Interconnection Customer;
- (F) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.6.1.3(B) plus Section 3.6.1.3(C) divided by the sum of Section 3.6.1.3(A) plus Section 3.6.1.3(C) of this RIS.

3.6.1.4 Interconnection Requests Withdrawn

- (A) The number of Interconnection Requests withdrawn;
- (B) The number of Interconnection Requests withdrawn before completion of any Interconnection Studies;
- (C) The number of Interconnection Requests withdrawn before completion of their Interconnection Facilities Study;
- (D) The number of Interconnection Requests withdrawn after completion of an Interconnection Facilities Study but before execution of a GIA or before the Interconnection Customer requests filing an unexecuted, new GIA;
- (E) Number of Interconnection Requests withdrawn from the CAISO's interconnection queue after completion of an Interconnection Facilities Study but before execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;
- (F) Number of Interconnection Requests withdrawn from the CAISO's queue after execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;
- (G) Mean time (in days), for all withdrawals, from the date when the request was determined to be valid to when the CAISO received the request to withdraw from the queue.

3.6.2 Retention

The CAISO will keep the quarterly interconnection studies statistics on the CAISO Website for three (3) calendar years.

3.6.3 FERC Reporting

In the event that any of the percentages calculated in any subparagraph E of Section 3.6.1.1 and 3.6.1.2 exceeds twenty five (25) percent for two (2) consecutive quarters, the CAISO will, for the next four (4) quarters and until those percentages fall below twenty five (25) percent for two (2) consecutive quarters:

- (i) submit a report to FERC describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline for completion. The CAISO will describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The CAISO will file the report with FERC within forty five (45) days of the end of

the calendar quarter.

- (ii) aggregate and publish on the CAISO Website the total number of employee-hours and third party consultant hours expended towards its Interconnection Studies. The CAISO will publish these figures within thirty (30) days of the end of the calendar quarter.

3.7 Coordination with Affected Systems

Pursuant to Section 3.7.1, the CAISO will notify the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Cluster Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this RIS. The CAISO will include Affected System Operators in all meetings held with the Interconnection Customer as required by this RIS.

The Interconnection Customer will cooperate with the CAISO and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO's identification of Interconnection Customer's name, Generating Facility project name, and release of information that the Interconnection Customer provided as part of its Interconnection Request to the Affected System, and participating in any coordinating activities and communications undertaken by the Affected System or CAISO. If required by an Identified Affected System, the Interconnection Customer will sign separate study agreements with the Identified Affected System and pay for necessary studies. Identified Affected Systems will cooperate with the CAISO in all matters related to the Identified Affected System Operators' determination of modifications to Identified Affected Systems.

3.7.1 Timing for Identification of Identified Affected Systems

The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Cluster Study within ten (10) Business Days after determining which projects in each study cluster have posted their additional Commercial Readiness Deposit to bring the total to five percent (5%) of the Interconnection Customer's Network Upgrade cost, pursuant to Section 7.4 of this RIS.

The CAISO may later notify Affected Systems if (i) the CAISO failed to identify the Affected System initially; (ii) the Interconnection Customer modifies its project such that an electric system becomes a potentially Affected System; or (iii) the Interconnection Customer converts from a Wholesale Distribution Access Tariff to the CAISO Tariff and the same Affected Systems were not notified previously or the conversion was due to a system change. In such cases, the CAISO will coordinate with the Interconnection Customer and the potentially Affected System Operator to develop an expedited timeline to determine whether the Affected System is an Identified Affected System. The CAISO will then notify the Interconnection Customer as soon as practical of the new Identified Affected System.

Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an Identified Affected System; or (ii) the electric system should not be considered an Identified Affected System. If the Affected System Operator fails to advise the CAISO within (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System.

If an electric system operator advises the CAISO that it is an Identified Affected System after the 60-day notification period, the CAISO will not delay the synchronization or Commercial Operation of the Generating Facility for mitigation required by the Affected System unless the Affected System identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues are present, the CAISO will work with the Affected System and the Interconnection Customer to establish temporary mitigations, if possible, for the identified reliability issue. An Affected System's mitigation remedies that may be available outside the CAISO Tariff are unaffected by these provisions.

3.8 Withdrawal

The Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to the CAISO, and the CAISO will notify the applicable Participating TO(s) and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the CAISO of a valid Interconnection Request under Section 3.5.2, if the Interconnection Customer fails to adhere to all requirements of this RIS, except as provided in Section 15.5 (Disputes), the CAISO shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Interconnection Customer within five (5) Business Days of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Interconnection Customer shall have five (5) Business Days in which to respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the CAISO of its intent to pursue Dispute Resolution.

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

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by the CAISO under Section 3.8 of this RIS, the CAISO will (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.8.1 of this RIS; and (iii) refund to the Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that the CAISO has incurred, including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations. The CAISO will also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control.

In the event of such withdrawal, the CAISO, subject to the provisions of Sections 15.1 and 3.5.1.1, shall provide, at the Interconnection Customer's request, all information that the CAISO developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8.1 Withdrawal Penalty

The Interconnection Customer will be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study

Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.8.1.1 Calculation of the Withdrawal Penalty

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer will not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) the Interconnection Customer's study deposit required under Section 3.5.1.1 of this RIS; or (2) as follows in (a)–(d):

- (a) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer will be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster.
- (b) If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.4 of this RIS, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer will be charged five percent (5%) of its estimated Network Upgrade costs.
- (c) If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.5 of this RIS, or after receipt of the draft GIA but before Interconnection Customer has executed a GIA or has requested that its GIA be filed unexecuted, and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility), Interconnection Customer will be charged ten percent (10%) of its estimated Network Upgrade costs.
- (d) If Interconnection Customer has executed a GIA or has requested that its GIA be filed unexecuted and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty will be twenty percent (20%) of its estimated Network Upgrade costs.

3.8.2 Notification to CAISO and Accounting by Applicable Participating TO(s).

The applicable Participating TO(s) shall notify the CAISO within one (1) Business Day of liquidating any deposit. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) shall provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated deposit and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this Section.

All Withdrawal Penalties remitted to the CAISO in accordance with this Section, and funds that are received by the CAISO from a Participating TO pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.

3.9 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.

3.10 Emergency Interconnection Process

The CAISO and Participating TO(s) may conduct expedited studies to approve emergency interconnections when all of the following conditions are satisfied:

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis;
- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;
- (c) The interconnection would not have a negative impact on the cost or timing of any existing Interconnection Request unless the impacted Interconnection Request belongs to the same developer and the developer consents to the impact;
- (d) The interconnection does not require Network Upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this RIS;
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;
- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The Interconnection Customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this RIS and supplanting the emergency GIA or amendment;
- (g) The emergency interconnection will be ineligible for Delivery Network Upgrades or TP Deliverability except Interim Deliverability consistent with Section 4.6 of this RIS, or until it can obtain TP Deliverability by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this RIS;
- (h) The emergency interconnection will not impact Affected Systems; and
- (i) The expedited studies confirm the interconnection may mitigate the emergency.

The Interconnection Customer will provide the CAISO a \$50,000 deposit and all necessary technical information to assess the interconnection. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the assessment. If the actual costs of the assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the

balance. If the actual costs of the assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the assessment with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO and Participating TO(s) will conduct all necessary studies, publish study results, and tender a draft GIA or amendment to the Interconnection Customer.

Notwithstanding any other provision, all refunds pursuant to this section will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

3.11 Penalties for Failure to Meet Study Deadlines

(1) The interconnecting Participating TO will be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this RIS. The Participating TO must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a *pro rata* basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did not withdraw, or were not deemed withdrawn, from the CAISO's interconnection queue before the missed study deadline. The Participating TO must pay the penalty for a late Affected Systems Study on a *pro rata* basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline. The study delay penalty for each late study will be distributed no later than forty-five (45) calendar days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of the Cluster Restudy beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this RIS; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this RIS. The total amount of a penalty assessed under this Section will not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that the CAISO collects for conducting the Affected System Study.

(3) The Participating TO may appeal to FERC any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) calendar days after the late study has been completed. While an appeal to FERC is pending, the Participating TO will remain liable for the penalty, but need not distribute the penalty until forty-five (45) calendar days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of FERC's decision on the appeal are no longer pending before FERC. FERC may excuse the Participating TO from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the Participating TO misses the applicable study deadline.

(5) If (a) the CAISO and Participating TO need to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study will be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for the Participating TO missing the original deadline.

(6) No penalties will be assessed until the third Cluster Study cycle after the FERC-approved effective date of the CAISO's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) The CAISO must maintain on its Website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, the CAISO must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. The CAISO must post on its Website these penalty amounts for each calendar quarter within thirty (30) calendar days of the end of the calendar quarter. The CAISO must maintain the quarterly measures posted on its Website for three (3) calendar years with the first required posting to be the third Cluster Study cycle under paragraph (6). Each Participating TO will notify the CAISO of its penalties to enable the CAISO to comply with this paragraph (7).

Section 4 [Not Used]

Section 5 Fast Track Process

5.1 Applicability and Initiation of Fast Track Process Request

Applicability to a proposed Generating Facility. An Interconnection Customer may request interconnection of a proposed Generating Facility to the CAISO Controlled Grid under the Fast Track Process if the Generating Facility is no larger than 5 MW and is requesting Energy-Only Deliverability Status and if the Interconnection Customer's proposed Generating Facility meets the codes, standards, and certification requirements of Appendices 9 and 10 of this RIS, or if the applicable Participating TO notifies the CAISO that it has reviewed the design for or tested the proposed Small Generating Facility and has determined that the proposed Generating Facility may interconnect consistent with Reliability Criteria and Good Utility Practice.

Applicability to an existing Generating Facility. If the Interconnection of an existing Generating Facility meets the qualifications for Interconnection under CAISO Tariff Section 25.1(d) or (e) but, at the same time, the Interconnection Customer also seeks to repower or reconfigure the existing Generating Facility in a manner that increases the gross generating capacity by not more than 5 MW, then the Interconnection Customer may request that the Fast Track Process be applied with respect to the repowering or reconfiguration of the existing Generating Facility that results in the incremental increase in MW.

Initiating the Fast Track Interconnection Request. To initiate an Interconnection Request under the Fast Track Process, and have the Interconnection Request considered for validation the Interconnection Customer must provide the CAISO with:

(i) a completed Interconnection Request as set forth in Appendix 1:

- (ii) a non-refundable processing fee of \$500; and
- (iii) a demonstration of Site Control. For the Fast Track Process, such demonstration may include documentation reasonably demonstrating a right to locate the Generating Facility on real estate or real property improvements owned, leased, or otherwise legally held by another.

The CAISO shall review and validate the Fast Track Process Interconnection Request pursuant to Section 5.2.

In the event of a conflict between this Section 5 and another provision of this RIS, Section 5 shall govern.

5.2 Initial Review

Within thirty (30) Calendar Days after the CAISO notifies the Interconnection Customer that the Interconnection Request is deemed complete, valid, and ready to be studied, the applicable Participating TO shall perform an initial review using the screens set forth in Section 5.2.1 below, and shall notify the Interconnection Customer of the results in a report that provides the details of and data underlying the Participating TO's determinations under the screens.

5.2.1 Screens

5.2.1.1 The proposed Generating Facility's Point of Interconnection must be on the CAISO Controlled Grid.

5.2.1.2 For interconnection of a proposed Generating Facility to a radial transmission circuit on the CAISO controlled grid, the aggregated generation on the circuit, including the proposed Generating Facility, shall not exceed 15 percent of the line section annual peak load as most recently measured at the substation. For purposes of this Section 5.2.1.2, a line section shall be considered as that portion of a Participating TO's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the transmission line.

This screen will not be required for a proposed interconnection of a Generating Facility to a radial transmission circuit with no load.

In cases where the circuit lacks the telemetry needed to provide the annual peak load measurement data, the CAISO shall use power flow cases from the latest completed Queue Cluster studies (either Phase I or Phase II) to perform this screen.

5.2.1.3 [Not Used]

5.2.1.4 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not contribute more than 10 percent to the transmission circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

The CAISO shall use the short circuit study data from the latest completed Queue Cluster studies to test this screen.

5.2.1.5 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not cause any transmission 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 percent of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 percent of the short circuit interrupting capability.

The CAISO shall use the short circuit study data from the most recently completed Queue Cluster studies to test this screen.

5.2.1.6 A Generating Facility will fail this initial review, but will be eligible for a supplemental review, if it proposes to interconnect in an area where there are known transient stability, voltage, or thermal limitations identified in the most recently completed Queue Cluster studies or transmission planning process.

5.2.1.7 No construction of facilities by a Participating TO on its own system shall be required to accommodate the proposed Generating Facility.

5.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved. Within fifteen (15) Business Days thereafter, the Participating TO will provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution.

5.2.3 If the proposed interconnection fails the screens, but the CAISO and Participating TO determine that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Participating TO shall, within fifteen (15) Business Days, provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution

5.2.4 If the proposed interconnection fails the screens and the CAISO and Participating TO do 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 Participating TO shall provide the Interconnection Customer with the opportunity to attend a customer options meeting as described in Section 5.4.

5.3 [Not Used]

5.4 Customer Options Meeting

If the CAISO and Participating TO determine 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 CAISO and Participating TO shall notify the Interconnection Customer within five (5) Business Days of that determination and provide copies of all data and analyses underlying their conclusion. Within ten (10) Business Days of the CAISO and Participating TO's determination, the CAISO and Participating TO shall offer to convene a customer options meeting with the CAISO and Participating TO 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 CAISO and Participating TO's determination, or at the customer options meeting, the CAISO and Participating TO shall:

5.4.1 Offer to perform facility modifications or modifications to the Participating TO's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Participating TO's

electric system. If the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within ten (10) Business Days of the customer options meeting; or

5.4.2 Offer to perform a supplemental review in accordance with Section 5.5 and provide a non-binding good faith estimate of the costs of such review; or

5.4.3 Offer to include the Interconnection Request in the next Queue Cluster Window, and the provision of the study deposit set forth in Section 3. Within fifteen (15) Business Days of the customer options meeting the Interconnection Customer shall provide the CAISO, in writing, with its election on how to proceed with its Interconnection Request. If the Interconnection Customer does not make an election within this time period, the CAISO will deem the Interconnection Request withdrawn.

5.5 Supplemental Review

5.5.1 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 good faith estimate determined by the CAISO and Participating TO, both within fifteen (15) Business Days of the offer, or elect one of the options set forth in Section 5.4.3.

5.5.2 The Interconnection Customer may specify the order in which the CAISO and Participating TO will complete the screens in Section 5.5.4.

5.5.3 The Interconnection Customer shall be responsible for the CAISO and Participating TO'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 CAISO and Participating TO will return such excess, without interest, within twenty (20) Business Days of the invoice.

5.5.4 Within thirty (30) Business Days following receipt of the deposit for a supplemental review, or some longer period agreed to by the Interconnection Customer, CAISO, and Participating TO, the CAISO and Participating TO 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 CAISO and Participating TO'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 CAISO and Participating TO shall notify the Interconnection Customer following the failure of any of the screens, or if they are unable to perform the screen in Section 5.5.4.1, 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 Section 5.5.4; (2) terminate the supplemental review and offer the Interconnection Customer the options set forth in Section 5.4.3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

In conducting these screens, the CAISO and Participating TO will use power flow or short circuit study data from the most recently completed Queue Cluster studies (either Phase I or Phase II).

5.5.4.1 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 percent 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 CAISO and Participating TO shall include the reason(s) that they are unable to calculate, estimate or determine minimum load in their supplemental review results notification under Section 5.5.4.

5.5.4.1.1 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 screen 5.5.4.1. 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.

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

5.5.4.1.3 The CAISO and Participating TO 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.

5.5.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section, the proposed Generating Facility shall not cause the violation of voltage standards, as set forth in the CAISO's Planning Standards, on any part of the CAISO Controlled Grid.

5.5.4.3 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 studying the Generating Facility in either the Queue Cluster or Independent Study processes. The CAISO and Participating TO shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

5.5.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

5.5.4.3.2 Whether the loading along the line section uniform or even.

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

5.5.4.3.4 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.

5.5.4.3.5 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 circuit/substation may trigger overloads or voltage issues.

5.5.4.3.6 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.

5.5.5 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the Interconnection Request shall be approved and the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in Sections 5.5.5.1 and 5.5.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall be treated in accordance with Section 5.5.5.3 below.

5.5.5.1 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above and does not require construction of facilities by the Participating TO on its own system, the interconnection agreement shall be provided within ten (10) Business Days after the notification of the supplemental review results.

5.5.5.2 If interconnection facilities or minor modifications to the Participating TO's system are required for the proposed interconnection to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the interconnection agreement, along with 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 after receiving written notification of the supplemental review results.

5.5.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Participating TO's system to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the CAISO and Participating TO shall notify the Interconnection Customer, at the same time they notify the Interconnection Customer with the supplemental review results, and offer the options set forth in Section 5.4.3 above. If the Interconnection Customer does not make an election within fifteen (15) Business Days, the CAISO will deem the Interconnection Request withdrawn.

Section 6 Cluster Study Process

6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 [Intentionally Omitted]

6.1.2 Scoping Meeting

During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with

all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Application Window.

The purpose of the Cluster Study Scoping Meeting will be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to the CAISO Website pursuant to Section 3.5 and 3.6 of this RIS, if applicable, and to analyze such information. The CAISO and the Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The CAISO and the Interconnection Customer(s) also will 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(s) will designate its Point of Interconnection. The duration of the meeting will be sufficient to accomplish its purpose. All Interconnection Customers must execute the non-disclosure agreement under Section 2.3 of this RIS prior to a group Cluster Study Scoping Meeting, which provides for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

6.1.3 Grouping Interconnection Requests

The CAISO will assign a Queue Position as follows: the Queue Position within the queue will be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.5 of this RIS. All Interconnection Requests submitted and validated in a single Cluster Application Window will be considered equally queued.

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster will be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant queue will be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant queue.

Interconnection Studies performed within the Cluster Study Process will 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 and consistent with Good Utility Practice.

At the CAISO's option, and in coordination with the applicable Participating TO(s), Interconnection Requests received during the Cluster Application Window for a particular year may be studied in subgroups 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 CAISO may develop one or more subgroups. A subgroup will include, at the CAISO's sole judgment after coordination with the applicable Participating TO(s), Interconnection Requests that electrically affect one another with respect to the analysis being performed and the annual Transmission Plan, without regard to the nature of the underlying Interconnection Service. The CAISO may also, in its sole judgment after coordination with the applicable Participating TO(s), 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 Cluster Application Window for a particular year. In all instances in which the CAISO elects to use subgroups in the Cluster Study Process, the CAISO must publish the criteria used to define and determine the subgroups on the CAISO Website.

An Interconnection Request's inclusion in a subgroup will not relieve the CAISO or Participating TO(s) from meeting the timelines for conducting the Cluster Study provided in the RIS. Subgroups will be studied in such a manner to ensure the efficient implementation of the annual CAISO Transmission Plan in light of the transmission system's capabilities at the time of each study.

6.2. Scope and Purpose of Cluster Study

The Cluster Study will:

- (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the CAISO Controlled Grid;
- (ii) identify all LDNUs and RNUs needed to address the impacts on the CAISO Controlled Grid of the Interconnection Requests, as Assigned Network Upgrades or Conditionally Assigned Network Upgrades;
- (iii) preliminarily identify for each Interconnection Request required Interconnection Facilities;
- (iv) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall transmission upgrades costs;
- (v) establish the estimated, non-binding Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure for each Interconnection Request, until the issuance of the Interconnection Facilities Study report;
- (vi) provide a cost estimate of ADNUs for each Generating Facility in a Queue Cluster Study;
- (vii) identify controls required for each Interconnection Request where the Interconnection Customer requested Interconnection Service Capacity lower than the Generating Facility Capacity;
- (viii) identify any Precursor Network Upgrades; and
- (ix) identify RNUs as GRNUs or IRNUs.

The Cluster Study will consist of a short circuit analysis, a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment, for the purpose of identifying LDNUs and estimating the cost of ADNUs, as applicable.

The Cluster Study will state for each subgroup 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 subgroup or to the Interconnection Request studied individually.

The Cluster Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of RNUs, and LDNUs to the CAISO Controlled Grid that are preliminarily identified as Assigned Network Upgrades or Conditionally Assigned Network

Upgrades required as a result of the Interconnection Requests in a subgroup or as a result of any Interconnection Request studied individually and Participating TO's Interconnection Facilities associated with each Interconnection Request, the estimated costs of ADNUs, if applicable, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds). For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study will consider the level of Interconnection Service Capacity requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study will use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by the Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. The CAISO may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by the CAISO. As determined by the CAISO, the Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA and Article 2 of the SGIA.

The Cluster Study will evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. The CAISO and Participating TO will evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, and Applicable Laws and Regulations. The CAISO and Participating TO will include an explanation of the results of the evaluation for each technology in the Cluster Study Report.

6.3 Identification of and Cost Allocation for Network Upgrades

6.3.1 Reliability Network Upgrades (RNUs).

The CAISO, in coordination with the applicable Participating TO(s), will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a subgroup to preliminarily identify the RNUs needed to interconnect the Generating Facilities to the CAISO Controlled Grid. The CAISO, in coordination with the applicable Participating TO(s), shall also perform power flow analyses, under a variety of system conditions, for each Interconnection Request either individually or as part of a subgroup to identify Reliability Criteria violations, including applicable thermal overloads, that must be mitigated by RNUs.

The cost of all RNUs identified in the Cluster Study shall be estimated in accordance with Section 6.4. The estimated costs of short circuit related GRNUs identified through a subgroup shall be assigned to all Interconnection Requests in that subgroup pro rata on the basis of the short circuit duty contribution of each Generating Facility. The estimated costs of all other GRNUs identified through a subgroup shall be assigned to all Interconnection Requests in that subgroup pro rata on the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request. The estimated costs of RNUs identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

Interconnection Customers assigned IRNUs in their Cluster Study will be allocated the full cost of the IRNUs in their Maximum Cost Responsibility. The Maximum Cost Exposure

will include the full costs of conditionally assigned IRNUs. The Current Cost Responsibility will include their allocated share of IRNU costs.

6.3.2 Delivery Network Upgrades.

6.3.2.1 The On-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform On-Peak Deliverability Assessments for Interconnection Customers selecting Full Capacity or Partial Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Generating Facility's ability to deliver its Energy to the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity or Partial Capacity Deliverability Status, accounting for Generating Facilities that include at least one electric storage resource that request to use, and for which the CAISO approves, operating assumptions pursuant to Section 3.1. The Deliverability Assessment will consist of two rounds, the first of which will identify any transmission constraints that limit the Deliverability of the Generating Facilities in the Cluster Study and will identify LDNUs to relieve the local constraints, and second of which will determine ADNUs to relieve the area constraints. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point, nor guarantee any level of deliverability, or transmission capacity, or avoided curtailment.

6.3.2.1.1 Local Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used to establish the Maximum Cost Responsibility and Maximum Cost Exposure for LDNUs for each Interconnection Customer selecting Full Capacity or Partial Capacity Deliverability Status. Deliverability of a new Generating Facility will be assessed on the same basis as all existing resources interconnected to the CAISO Controlled Grid.

The methodology for the On-Peak Deliverability Assessment will be published on the CAISO Website or, when effective, included in a CAISO Business Practice Manual. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point.

The cost of LDNUs identified in the On-Peak Deliverability Assessment as part of a Cluster Study shall be estimated in accordance with Section 6.4. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

6.3.2.1.2 Area Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used in the

Cluster Study to identify those facilities necessary to provide the incremental Deliverability between the level of TP Deliverability and such additional amount of Deliverability as is necessary for the MW capacity amount of generation targeted in the Cluster Study. Based on such facility cost estimates, the CAISO will calculate a rate for ADNU costs equal to the facility cost estimate divided by the additional amount of Deliverability targeted in the study. The Cluster Study will provide a cost estimate for each Interconnection Customer which equals the rate multiplied by the requested deliverable MW capacity of the Generating Facility in the Interconnection Request.

6.3.2.1.3 [Intentionally Omitted]

6.3.2.2 [Not Used]

6.3.2.3 [Not Used]

6.3.3 Interconnection Facilities

The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to the Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs

Each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems.

These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Network Upgrades and Participating TO's Interconnection Facilities. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

Prior to adoption and publication of final per unit costs for use in the Interconnection Study Cycle, the CAISO shall publish to the CAISO Website draft per unit costs, including non-confidential information regarding the bases therefore, hold a stakeholder meeting to address the draft per unit costs, and permit stakeholders to provide comments on the draft per unit costs. A schedule for the release and review of per unit costs is set forth in Appendix 5.

6.5 Assigned and Contingent Facilities

The CAISO and Participating TO will provide, upon request of the Interconnection Customer, its estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each Assigned Network Upgrade, Conditionally Assigned Network Upgrade, or Precursor Network Upgrade when this information is readily available and not commercially sensitive.

6.6 Cluster Study Procedures

The CAISO shall coordinate the Cluster Study with applicable Participating TO(s) pursuant to Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to Section 3.7. Existing studies shall be used to the extent practicable when conducting the Cluster Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO will complete and issue to Interconnection Customers the Cluster Study report within one hundred and fifty (150) days after the commencement of the Cluster Study; however, the Cluster Study 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 Section 15.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Cluster Study report to the Interconnection Customer.

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

Upon request, the CAISO 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 Cluster Study, subject to confidentiality arrangements consistent with Section 15.1.

6.7 Cluster Study Report Meeting

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on the CAISO Website, the CAISO will convene a Cluster Study Report Meeting.

6.7.1 [Not Used]

6.7.2 Modifications.

6.7.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO 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 while retaining its Queue Position. Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, Participating TO, or the CAISO 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 CAISO, the Participating TO, and the Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO will modify the Point of Interconnection prior to the end of the Customer Engagement Window.

6.7.2.2 Prior to the end of the Customer Engagement Window, modifications permitted under this Section shall include specifically:

- (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;
- (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, Trial Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld;
- (e) change in Point of Interconnection as set forth in Section 6.7.2.1;
- (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status; and
- (g) Permissible Technological Advancements consistent with Section 6.7.2.4.

For plant increases, the incremental increase in plant output will go in the next Cluster Application Window for the purposes of cost allocation and study analysis. For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. The CAISO and Participating TO will study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Prior to the return of the executed Interconnection Facilities Study Agreement to

the CAISO, the modifications permitted under this Section will include specifically:

- (a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying the CAISO-approved injection-limiting equipment;
- (b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and
- (c) a Permissible Technological Advancement for the Generating Facility after the submission of the Interconnection Request. Section 6.7.2.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 6.7.2.2(c) is a Material Modification. Appendix A to the CAISO Tariff contains a definition of Permissible Technological Advancement.

If any Interconnection Customer requested modification after the Cluster Study report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

6.7.2.3 The Interconnection Customer shall provide the CAISO 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 CAISO 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. Any request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this RIS. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO 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 CAISO and applicable Participating TO(s) 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. 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 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within

thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.4 Interconnection Customers may request Permissible Technological Advancements. Permissible Technological Advancements may include, for example, removing equipment; aligning the Commercial Operation Date with an executed power purchase agreement; adding less than 5 MW of energy storage once without increasing the net output at the Point of Interconnection; and other changes that have little or no potential to affect other Interconnection Customers or Affected Systems, require a new Interconnection Request, or otherwise require a re-study or evaluation. The CAISO will update its Business Practice Manual to list any additional Permissible Technological Advancement approved but not specifically enumerated here when identified. The Interconnection Customer's written request to evaluate technological advancements must include the technical data required to assess the request.

For all Permissible Technological Advancement requests not expressly enumerated in this Section or the Business Practice Manual, the CAISO and Participating TO will determine whether such change would constitute a Material Modification. Such evaluation will include an analysis of the short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability, and impact on other Interconnection Customers. The CAISO will determine whether a Permissible Technological Advancement request is a Material Modification within thirty (30) calendar days of receipt of the request. Interconnection Customers requesting Permissible Technological Advancements must pay a non-refundable fee of \$2,500.

6.7.2.5 Notwithstanding any other provisions in this RIS or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

- (a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving its Commercial Operation Date;
- (b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request; or
- (c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the

CAISO received its Interconnection Request.

The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as fuel-type modifications. Interconnection Customers may request such modifications pursuant to this RIS.

6.7.2.6 In addition to the options provided in this RIS, an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its Interconnection Facilities Study. This conversion will become effective through the reassessment process described in Section 7.4. Except (i) as provided in Section 8.9.3.2 (ii) due to not receiving the requested TP Deliverability allocation, or (iii) due to declining a TP Deliverability allocation, Interconnection Customers that become Energy Only after their Interconnection Facilities Study may not reduce their cost responsibility for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the \$10,000 deposit, by May 30 to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of deposits or penalties will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

6.7.2.8 Additional Generation

The Interconnection Customer may request, and the CAISO and Participating TO will evaluate, the addition to the Interconnection Request of a Generating Unit with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Unit does not increase the requested Interconnection Service level. The CAISO and Participating TO must evaluate such modifications prior to deeming them a Material Modification, but only if the

Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by the Interconnection Customer to the CAISO. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

6.7.3 [Not Used]

6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;
- b) Providing proof of having an executed power purchase agreement. Power purchase agreements must have the Point of Interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Control for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Control Deposit does not satisfy this criterion;
- d) Having an executed Generator Interconnection Agreement ("GIA"); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

The CAISO'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 Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this RIS.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy Only Deliverability Status. Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Commercial Readiness Deposit or GIA Deposit for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the Generating Facility that is in service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. However, where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Cluster Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Interconnection Study report. This exemption is inapplicable to report addenda or revisions required by a request from an Interconnection Customer for any reason.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold and retaining their TP Deliverability pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the Deliverability Status of the Generating Facility corresponding to the Interconnection Request will convert to Energy-Only Deliverability Status.

6.7.5 Alignment with Power Purchase Agreements

An Interconnection Customer with an executed GIA and an executed power purchase agreement may request to automatically extend the GIA Commercial Operation Date to align with its power purchase agreement for that Generating Facility, including any extension or amendment. Interconnection Customers requesting alignment must (1) provide a copy of the power purchase agreement, and (2) confirm the power purchase agreement's standing and details in the annual TP Deliverability affidavit process. Requests to align the Commercial Operation Date with power purchase agreements are not exempt from the commercial viability criteria provisions in Section 6.7.4, where applicable.

6.8 Revisions and Addenda to Final Interconnection Study Reports

6.8.1 Substantial Error or Omissions; Revised Study Report

Should the CAISO discover, through written comments submitted by an Interconnection Customer or otherwise, that a final Interconnection Study Report (which can mean a final Cluster Study report or Interconnection Facilities Study report) contains a substantial

error or omission, the CAISO 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 Current Cost Responsibility, Maximum Cost Responsibility, Maximum Cost Exposure, and Participating TO Interconnection Facilities, as set by the Interconnection Facilities Study, by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater;
- (ii) delay of the Commercial Operation Date, In-Service Date, or requested Deliverability Status by more than one year; or
- (iii) termination of the Interconnection Customer's power purchase agreement.

The CAISO will include examples of how Interconnection Customers can demonstrate power purchase agreement terminations in the Business Practice Manual. The CAISO will confirm power purchase agreement terminations with the Interconnection Customer's counterparty.

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. Changes to Interconnection Studies resulting from Interconnection Customer requests, including without limitation, modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.

6.8.2 Other Errors or Omissions; Addendum

If an error or omission in an Interconnection Study report is not a substantial error or omission, the CAISO shall not issue a revised final Interconnection Study report. Rather, the CAISO shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The CAISO and applicable Participating TO 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 Section 13.

6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates

For Clusters 14 and previous: Only substantial errors and omissions related to the 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 Section 6.8 no longer apply. Any error or omission found after the second Interconnecting Financial Security posting will not impact the Interconnection Customer's Assigned Cost Responsibility, Maximum Cost Responsibility, or Maximum Cost Exposure.

Unless the error or omission is substantial, resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission will not delay any deadline for posting Interconnection Financial Security. In the case of a substantial error or omission resulting in the issuance of a revised final report, the deadline for posting

Interconnection Financial Security shall be extended as set forth in Section 11. In addition to issuing a revised final report, the CAISO 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 CAISO 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 this RIS, subject to refund in the event that the Interconnection Customer prevails in the dispute.

6.8.4 Substantial Errors or Omissions Allowing Refunds

Notwithstanding Section 3.5.1, after the Interconnection Customer has posted its second Commercial Readiness Deposit, it is eligible for a one-hundred percent (100%) refund of its remaining, unspent Commercial Readiness Deposit and all remaining, unspent Study Deposit funds if:

- (i) it receives a substantial error or omission; and
- (ii) it withdraws its Interconnection Request within sixty (60) days of the publication of the revised Study Report or the termination of its power purchase agreement resulting from the substantial error or omission, as applicable.

Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection Facilities Study

7.1 [Not Used]

7.2 Full/Partial Capacity Deliverability Options for Interconnection Customers

This section applies to Interconnection Requests for which the Generating Facility Deliverability Status is either Full Capacity or Partial Capacity.

Within Appendix B, the Interconnection Facilities Study 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 a Commercial Readiness Deposit and GIA Deposit for the cost responsibility assigned to it in the Cluster Study for RNUs and LDNUs; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both ADNUs and LDNUs, to the extent applicable) without cash repayment under Section 14.2.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested Deliverability Status. If the Interconnection Customer selects Option (B) then the Interconnection Customer shall be required to make a Commercial Readiness Deposit and GIA Deposit for the cost responsibility assigned to it in the Cluster Study for RNUs, LDNUs, and ADNUs. To qualify to receive any allocation of TP Deliverability, Interconnection Customers selecting Option (B) must still meet the minimum criteria identified in Section 8.9.2.

7.3 [Not Used]

7.4 Reassessment Process

The CAISO will perform a reassessment of the Base Case after each Cluster Study. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the Cluster Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the Interconnection Studies for the immediately preceding Queue Cluster;
- (b) downsizing requests from Interconnection Customers pursuant to Section 6.7.2.3;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) changes in TP Deliverability allocations or Deliverability Status;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

The CAISO will complete the annual reassessment, including the Cluster Restudy, within one hundred eighty (180) days of the Cluster Study Report Meeting.

7.4.1 Cluster Study Restudy

The CAISO will conduct the Cluster Study Restudy as part of the annual reassessment of the Base Case pursuant to Section 7.4.

- (1) Within twenty (20) days after the Cluster Study Report Meeting, the Interconnection Customer must provide the following:
 - (a) Demonstration of continued Site Control pursuant to Section 3.5.1 of this RIS; and
 - (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to five percent (5%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to its demonstration of Site Control under Section 3.5.1 of this RIS. Upon the CAISO determining that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

- (2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster

Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.8 of this RIS after completion of the Cluster Study or Cluster Restudy, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

- (3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will conduct a Cluster Restudy as part of the annual reassessment. If the CAISO determines a Cluster Restudy is not necessary, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and the CAISO will provide an updated Cluster Study Report within thirty (30) days of such determination.
- (4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will notify Interconnection Customers in the Cluster and post on the CAISO Website that a Cluster Restudy is required within thirty (30) days after the Cluster Study Report Meeting. The CAISO will continue with such restudies until the CAISO determines that no further restudies are required. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project, the CAISO will so notify affected Interconnection Customers in writing.
- (5) The scope of any Cluster Restudy will be consistent with the scope of an initial Cluster Study pursuant to Section 6.2 of this RIS. The results of the Cluster Restudy will be combined into a single report (Cluster Restudy Report). The CAISO will hold a meeting with the Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on the CAISO Website.

If additional restudies are required, Interconnection Customer and the CAISO will follow the procedures of this Section 7.4 of this RIS until such time that the CAISO determines that no further restudies are required. The CAISO will notify each Interconnection Customer within the Cluster when no further restudies are required.

7.4.2 Where, as a consequence of the reassessment, the CAISO determines that changes to the previously identified Network Upgrades in Queue Clusters earlier than the current Interconnection Study Cycle will cause changes to plans of service set out in executed GIAs, such changes will serve as a basis for amendments to GIAs.

7.4.3 Such changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

- (i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and \$1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network

Upgrades included in the Interconnection Customer's plan of service.

- (ii) If an Interconnection Customer's Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO's system that occurs after the completion of the Interconnection Customer's Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer's estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer's Interconnection Facilities Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Facilities Study. For Interconnection Customers with complete Phase II Interconnection Studies or Interconnection Facilities Studies, the CAISO will publish advisory, non-binding updates to those studies in the reassessment, and binding updates in the following Interconnection Facilities Study.
- (iii) To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will adjust the Interconnection Customer's Maximum Cost Exposure, as applicable.
- (iv) To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer's Current Cost Responsibility and Maximum Cost Responsibility, as applicable.

7.5 Option (B) Customers

The annual reassessment will identify ADNUs for Interconnection Customers who have selected Option (B). The Base Case for the reassessment will include Option (A) Generating Facilities in the current Interconnection Study Cycle and earlier queued Generating Facilities that will utilize TP Deliverability in a total amount that fully utilizes but does not exceed the available TP Deliverability.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area is less than or equal to the total TP Deliverability in any electrical area, the Base Case will include all Option (A) and earlier queued Generating Facilities in the electrical area.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area exceeds the TP Deliverability in any electrical area, the Base Case will include a representative subset of Generating Facilities that fully utilizes but does not exceed the TP Deliverability.

After the CAISO has modeled the Option (A) Generating Facilities, as described above, the CAISO will add Option (B) Generating Facilities to the Base Case. ADNUs that are identified as needed for each electrical area shall be assigned to Option (B) Generating Facilities based upon

their flow impacts.

The cost responsibility for Area Delivery Network Upgrades identified in the reassessment will be assigned to Interconnection Customers who have selected Option (B) Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

7.6 Application of Withdrawal Penalties and Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse withdrawal penalties and non-refundable deposits from Interconnection Requests subject to this RIS as follows:

(a) Withdrawal Period

The CAISO shall calculate Withdrawal Penalties based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement, pursuant to Section 3.8.1.

For each withdrawal period, the CAISO shall calculate and disburse available Withdrawal Penalties in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

(b) Disbursement of Withdrawal Penalties Assessed Prior to Cluster Study Results

For any Withdrawal Penalties assessed pursuant to 3.8.1.1(a) and for an Interconnection Customer that withdraws or is deemed withdrawn during the Cluster Study but before the receipt of a Cluster Study Report, the CAISO will use such funds to offset the costs of the Cluster Restudy on an equal basis for all Interconnection Customers studied in the restudy.

(c) Calculation and Disbursement of Withdrawal Penalties for Still-Needed Network Upgrades At or Above \$100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement after the Cluster Study results, the CAISO shall calculate the proportion of the Withdrawal Penalty that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer's Current Cost Responsibility for the Network Upgrade by the Interconnection Customer's total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer's total amount of Withdrawal Penalty.

If the amount of Withdrawal Penalty attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than \$100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be disbursed by the CAISO in the same manner in a subsequent reassessment, based on

the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(d).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(d).

(d) Calculation and Disbursement of Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any Withdrawal Penalty, as well as any non-refundable deposit not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO's Transmission Access Charge, and to offset Local Transmission Revenue Requirements

This offset shall be performed by first allocating these Withdrawal Penalties and non-refundable deposit amounts to the following three categories in proportion to the Interconnection Customer's most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO's Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO's most recent Regional Transmission Revenue Requirement to the total of all Participating TOs' most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(e) Disbursement of Funds by CAISO: Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any Withdrawal Penalty where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO's submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

Section 8 Interconnection Facilities Study and TP Deliverability Allocation Processes

8.1 Interconnection Facilities Study

8.1.1 Interconnection Facilities Study Agreement

Within five (5) Business Days following the CAISO's notifying each Interconnection Customer

within the Cluster that no further Cluster Restudy is required (per Section 7.4), the CAISO will provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix B to this RIS. The Interconnection Customer will compensate the CAISO and Participating TO for the actual cost of the Interconnection Facilities Study. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the CAISO will provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.

The Interconnection Customer will execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the CAISO within thirty (30) days after its receipt, together with:

(1) any required technical data;

(2) Demonstration of one hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the CAISO in accordance with Section 3.5.1.3 of this RIS; and

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to ten percent (10%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. Upon the CAISO determining separately that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

8.1.2 Scope of the Interconnection Facilities Study

The Interconnection Facilities Study will be performed on a clustered basis. The Interconnection Facilities Study will specify and provide Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure to each Interconnection Customer to implement the conclusions of the Cluster Study Report (and any associated reassessment) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study will 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 the Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

8.1.3 [Not Used]

8.1.4 [Not Used]

8.1.5 [Not Used]

8.2 [Not Used]

8.3 [Not Used]

8.4 [Not Used]

8.5 Interconnection Facilities Study Procedures

The CAISO will coordinate the Interconnection Facilities Study with the Participating TO and any Affected System pursuant to Section 3.7 of this RIS. The CAISO and Participating TO will utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The CAISO and Participating TO will complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed Interconnection Facilities Study Agreement.

At the request of the Interconnection Customer or at any time the CAISO determines that it will not meet the required time frame for completing the Interconnection Facilities Study, the CAISO will notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If the CAISO is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, it will notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the CAISO, which the CAISO will include in completing the final Interconnection Facilities Study Report. The CAISO will issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The CAISO may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require the CAISO and Participating TO to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, the CAISO and Participating TO will provide the Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

8.6 Interconnection Facilities Restudy

If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 6.7.2 of this RIS, the CAISO will update the Interconnection Facilities Study

results via the annual reassessment described in Section 7.4. Any cost of restudy will be borne by the Interconnection Customer being restudied.

8.7 Results Meeting With the CAISO and Applicable PTO(s)

Within thirty (30) calendar days of providing the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the Interconnection Customer shall meet to discuss the results of the Phase II Interconnection Study, including selection of the final Commercial Operation Date.

8.8 [Intentionally Omitted]

8.9 Allocation Process for TP Deliverability

After the Interconnection Facilities Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a market notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

- (a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:
 - (i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.
 - (ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.3.
- (b) any Maximum Import Capability included as a planning objective in the Transmission Plan and a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA can use Maximum Import Capability made available by Participating Generators and System Resources if such allocation is made available in accordance with Section 40.4.6.2.1 (Step 13) of the CAISO Tariff; the available Maximum Import Capability made available by the Load Serving Entities that have access to Subscriber Rights until the Load Serving Entity(ies) cease using this Maximum Import Capability allocation or Delivery Network

Upgrade(s) pursuant to Section 4.3A4.2(b) of the CAISO Tariff is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with Section 8.9.1(c) of this GIDAP:

- (c) any other commitments having a basis in the Transmission Plan, including any commitments established due to a Subscriber's exercise of its first option to acquire Deliverability made possible by Delivery Network Upgrades pursuant to Section 4.3A.4.2(a) of the CAISO Tariff, provided this first option has been exercised before the Subscriber is no longer eligible to apply for TP Deliverability allocation under Section 8.9 of this GIDAP. Generating Units possessing Subscriber Rights seeking to receive TP Deliverability must submit a request and will be subject to Sections 8.9.2 and 8.9.3 of this GIDAP. For each Subscriber that submits a TP Deliverability request, the CAISO will provide the Subscriber with a Queue Position.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation to the current queue cluster in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

8.9.2 Second Component: Allocating TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request.

- (A) To Interconnection Customers that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.
- (B) To Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C) To Interconnection Customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To Interconnection Customers electing to be subject to Section 8.9.2.3.

Energy Only capacity seeking TP Deliverability may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after FCDS and PCDS Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or

upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Interconnection Customers requesting Deliverability for Energy Only capacity must submit to the CAISO a \$60,000 study deposit for each Interconnection Request seeking TP Deliverability. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The funds will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the TP Deliverability studies for the Energy Only Interconnection Customers. Any and all costs of the Energy Only TP Deliverability study will be borne by the Interconnection Customer. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the study. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced.

For an Interconnection Customer seeking to receive or retain TP Deliverability to represent that it has, is negotiating, or is shortlisted for a power purchase agreement under this RIS, the agreement must meet the following criteria:

- (1) the agreement has a term of no less than five (5) years. Interconnection Customers with multiple, short-term agreements for the same capacity may meet this criterion where the combined terms are five (5) years or more; and
- (2) the counterparty must:
 - (a) be a Load Serving Entity procuring the capacity to meet its own Resource Adequacy obligation; or
 - (b) demonstrate it has a contract to provide the capacity for at least one (1) year to a Load Serving Entity for a Resource Adequacy obligation.

Interconnection Customers may seek or retain a TP Deliverability allocation if they meet all tariff criteria except the counterparty criterion (2); however, within thirty (30) days of receiving a TP Deliverability allocation, they must demonstrate they meet the counterparty criterion or provide a deposit of \$10,000 per MW of allocated TP Deliverability, but in no case less than \$500,000. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The CAISO will refund the deposit when the Generating Facility begins Commercial Operation or meets the counterparty criterion, whichever is earlier. To the extent the Interconnection Customer withdraws, is deemed withdrawn, converts to Energy Only, or otherwise downsizes or eliminates the capacity allocated TP Deliverability, the deposit or commensurate portion thereof will be non-refundable, and the CAISO will process it and any accrued interest pursuant to Section 7.6.

For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving

Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

8.9.2.1 Deliverability Affidavits

To determine TP Deliverability allocation order, Interconnection Customers will be assigned a numerical score reflecting the its demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual.

- (1) Permitting status. An Interconnection Customer's Generating Facility must meet at least one of the following:
 - a. The Interconnection Customer has received its final governmental permit or authorization allowing the Generating Facility to commence construction.
 - b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.
 - c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.
 - d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.
- (2) Project financing status. An Interconnection Customer's Generating Facility must meet at least one of the following criteria:
 - a. The Interconnection Customer has an executed and regulator-approved power purchase agreement.
 - b. The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.
 - c. The Interconnection Customer is on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity or procuring entity, or is currently negotiating a power purchase agreement.
 - d. The Interconnection Customer is a Load Serving Entity constructing its project to serve its own Load pursuant to a regulatory requirement.
- (3) Land acquisition

- a. The Interconnection Customer demonstrates a present legal right to begin construction of the Generation Facility on one hundred percent (100%) of the real property footprint necessary for the entire Generating facility.
- b. The Interconnection Customer demonstrates Site Exclusivity.

In allocating TP Deliverability under this section, in a situation where the TP Deliverability cannot accommodate all of the Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on the highest numerical score. In a situation where the available amount of TP Deliverability can accommodate all Interconnection Customers with equal scores, the CAISO will allocate the TP Deliverability to the Interconnection Customers with the lowest LDNU cost estimates. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement.

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrant s Deliverability.

8.9.2.2 [Not Used]

8.9.2.3 TP Deliverability Group D

This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.

If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section. Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.

Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.

For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

- (1) Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement.
- (2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.

Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability allocation may not reduce their Maximum Cost Responsibility or Current Cost Responsibility for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this RIS, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that:

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or
- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

The Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customers may elect to reduce its Commercial Readiness Deposit as a result.

8.9.4 Parking for Option (A) Generating Facilities

For an Option (A) Generating Facility in the current Interconnection Study Cycle that either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following

options:

- (1) Withdraw its Interconnection Request
- (2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any Commercial Readiness Deposit will be adjusted to remove the obligation pertaining to LDNUs
- (3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.

An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. Parked Interconnection Customers may not submit modification requests except for the following modifications:

- (1) reducing the Interconnection Service Capacity;
- (2) changing fuel type or technology;
- (3) Permissible Technological Advancements; or
- (4) changing the Point of Interconnection.

Parked Interconnection Customers must post their Commercial Readiness Deposit prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this RIS.

8.9.4.1 Extended Parking for Option (A) Generating Facilities

An Option (A) Generating Facility that parked its Interconnection Request and participated in a second allocation of TP Deliverability may remain parked for one final (third) allocation of TP Deliverability where: (a) the most recent TP Deliverability allocation shows that TP Deliverability will still be available to the Generating Facility; and (b) the Generating Facility has not been assigned Network Upgrades identified as needed by other Interconnection Customers in the Generating Facility's cluster study group or later cluster study groups. Criterion (b) will not apply where the Generating Facility has been assigned Network Upgrades identified as needed only by other Interconnection Customers in the Generating Facility's own cluster study group and all of those active Interconnection Customers also elect to remain parked.

8.9.5 Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities

If a Generating Facility is allocated TP Deliverability in the current Interconnection Study Cycle in an amount less than the amount of Deliverability requested, then the Interconnection Customer must choose one of the following options:

- (i) Accept the allocated amount of TP Deliverability and reduce the MW generating capacity of the proposed Generating Facility such that the allocated amount of

TP Deliverability will provide Full Capacity Deliverability Status to the reduced generating capacity;

- (ii) Accept the allocated amount of TP Deliverability and adjust the Deliverability status of the proposed Generating Facility to achieve Partial Capacity Deliverability corresponding to the allocated TP Deliverability;
- (iii) For Option (A) Generating Facilities, accept the allocated amount of TP Deliverability and seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation cycle. In such instance, the Interconnection Customer shall execute a GIA for the entire Generating Facility having Partial Capacity Deliverability corresponding to the allocated amount of TP Deliverability. Following the next cycle of TP Deliverability allocation, the GIA shall be amended as needed to adjust its Deliverability status to reflect any additional allocation of TP Deliverability. At this time the Interconnection Customer may also adopt options (i) or (ii) above based on the final amount of TP Deliverability allocated to the Generating Facility. There will be no further opportunity for this Generating Facility to participate in any subsequent cycle of TP Deliverability allocation; or
- (iv) Decline the allocated amount of TP Deliverability and either withdraw the Interconnection Request or convert to Energy Only Deliverability Status. An Interconnection Customer having an Option (A) Generating Facility that has not previously parked may decline the allocation of TP Deliverability and park until the next cycle of TP Deliverability allocation in the next Interconnection Study Cycle.

An Interconnection Customer that selects option (iii) or (iv) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

Interconnection Customers accepting a partial allocation of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

8.9.6 Declining TP Deliverability Allocation

An Interconnection Customer having an Option (A) Generating Facility and allocated the entire amount of requested TP Deliverability may decline all or a portion of the TP Deliverability allocation and park the Generating Facility Request as described in Section 8.9.4(3). An Interconnection Customer that selects this option may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

8.9.7 Interim Deliverability

If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes

the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete.

8.9.8 Updates to Interconnection Study Results

Upon completion of the allocation of TP Deliverability in accordance with Section 8.9.2, the CAISO will provide the allocation results to the Interconnection Customers for eligible Generating Facilities in the current Queue Cluster and eligible parked Generating Facilities. Each of these Interconnection Customers will then have seven (7) days to inform the CAISO of its decisions in accordance with Sections 8.9.4, 8.9.5, and 8.9.6. Following the CAISO's receipt of this information from all affected Interconnection Customers, the CAISO will provide updates where needed to the Interconnection Study reports for all Generating Facilities whose Network Upgrades have been affected.

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this RIS, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter as a modification request also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Section 9 Additional Deliverability Assessment Options

9.1 [Intentionally Omitted]

9.2 [Intentionally Omitted]

9.3 PTO Tariff Option for Full Capacity Deliverability Status

To the extent that a Participating TO's tariff provides the option for customers taking interconnection service under the Participating TO's tariff to obtain Full Capacity Deliverability Status, the CAISO will, in coordination with the applicable Participating TO, perform the necessary Deliverability studies to determine the Deliverability of customers electing such option. The CAISO shall execute any necessary agreements for reimbursement of study costs it incurs and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers under the Participating TO's tariff.

9.4 Deliverability from Non-Participating TOs

This process applies to Generating Facilities that interconnect to the transmission facilities of a Non-Participating TO located within the CAISO Balancing Authority Area that wish to obtain Full Capacity Deliverability Status or Partial Capacity Deliverability Status under the CAISO Tariff. Such Generating Facilities will be eligible to be studied by the CAISO for Full or Partial Capacity Deliverability Status pursuant to the following provisions:

- (a) The Generating Facility seeking Full or Partial Capacity Deliverability Status under the CAISO Tariff must submit a request to the CAISO to study it for such Status. Such study request will be in the form of the CAISO's pro forma Interconnection Request, must include the Generating Facility's intended Point of Delivery to the CAISO Controlled Grid, and must be submitted during a Cluster Application Window. The Generating Facility will be required to satisfy the same study deposit and Commercial Readiness Deposit posting requirements as an Interconnection Customer.
- (b) The Non-Participating TO that serves as the interconnection provider to the Generating Facility must treat the CAISO as an Affected System in the interconnection study process for the Generating Facility.
- (c) As part of the Non-Participating TO's interconnection study process, the CAISO, in its sole discretion and on a case-by-case basis, will determine the adequacy of transmission on the Non-Participating TO's system for the Generating Facility to be deemed fully deliverable to the elected Point of Delivery to the CAISO Controlled Grid. Only those proposed Generating Facilities (or proposed increases in Generating Facility capacity) for which the CAISO has determined there is adequate transmission capacity on the Non-Participating TO system to provide full Deliverability to the applicable Point of Delivery will be eligible to be assessed for Full or Partial Capacity Deliverability Status under the CAISO Tariff.
- (d) If the Generating Facility is eligible for study for Full or Partial Capacity Deliverability Status, the CAISO will include the Generating Facility in the Interconnection Study process for the Queue Cluster associated with the Cluster Application Window in which the Generating Facility has submitted its study request. The Point of Delivery with the CAISO will be treated as the Point of Interconnection for purposes of including the Generating Facility in a Cluster Study with any applicable CAISO Interconnection Customers in the relevant Queue Cluster. Pursuant to the Queue Cluster Interconnection Study process the Generating Facility will be allocated its cost responsibility share of any applicable LDNUs or ADNUs.

The Generating Facility shall be permitted to select an Option (A) or Option (B) Deliverability option under Section 7.2 (and will be treated as an Option (B) Generating Facility if a selection is not provided to the CAISO) and permitted to participate in TP Deliverability allocation under Section 8.

- (e) The CAISO, Participating TO, and Interconnection Customer will execute any necessary agreements for reimbursement of study costs incurred it to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to each such interconnection customer under the Non-Participating TO's tariff.
- (f) The Non-Participating TO's interconnection customer will receive repayment of funds expended for the construction of the LDNUs, and, as applicable, ADNUs, on the CAISO Controlled Grid in the same manner as CAISO Interconnection Customers, as specified in Section 14.3.2.

Section 10 Cost Responsibility for Interconnection Customers

10.1 Interconnection Customers in a Queue Cluster.

- (a) RNUs and LDNUs. The Interconnection Studies will establish Interconnection Customers' Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure consistent with the cost allocations described in Section 8. The CAISO will adjust Interconnection Customers' cost responsibilities as described in this RIS. Interconnection Customers will post Commercial Readiness Deposit and GIA Deposit based on their Current Cost Responsibility.
- (b) ADNUs. Interconnection Customers selecting Option (A) do not include ADNUs in the Commercial Readiness Deposit and GIA Deposit. The Current Cost Responsibility provided in the Cluster Studies establishes the basis for the initial Commercial Readiness Deposit. For Interconnection Customers selecting Option (B), the annual reassessment shall refresh the Current Cost Responsibility for ADNUs.

The ADNU 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 ADNUs. However, subsequent to the Interconnection Customer's receipt of its Interconnection Facilities Study report, an Interconnection Customer having selected Option (B) may have its ADNUs adjusted in the reassessment process undertaken under Section 7.4. Accordingly, for such Interconnection Customers, the most recent annual reassessment undertaken under Section 7.4 shall provide the most recent cost estimates for the Interconnection Customer's ADNUs.

10.2 [Not Used]

Section 11 Commercial Readiness Deposit and GIA Deposit

11.1 Types of Commercial Readiness Deposit and GIA Deposit

The Commercial Readiness Deposit and GIA Deposit posted by an Interconnection Customer may be any combination of the following types of Commercial Readiness Deposit or GIA Deposit:

- (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 Poors 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 Poors 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 Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO(s);
- (e) a certificate of deposit in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's.

Commercial Readiness Deposit and GIA Deposit instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) 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 CAISO and applicable Participating TO(s).

The CAISO shall publish and maintain standardized forms related to the types of deposits listed above which shall be accessible on the CAISO Website. The CAISO shall require the use of standardized forms of Commercial Readiness Deposit and GIA Deposit to the greatest extent possible. If at any time the guarantor of the Commercial Readiness Deposit or GIA Deposit fails to maintain the credit rating required by this Section, the Interconnection Customer shall provide to the applicable Participating TO(s) replacement Commercial Readiness Deposit or GIA Deposit meeting the requirements of this Section within five (5) Business Days of the change in credit rating.

The CAISO shall, upon receipt, deposit all Commercial Readiness Deposit, GIA Deposit, and other deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Interest on a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account under subpart (d) of this Section will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6

Section 12 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 the applicable Participating TO(s) shall offer the Interconnection Customer, an E&P Agreement that authorizes the applicable Participating TO(s) to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the applicable Participating TO(s) shall not be obligated to offer an E&P Agreement if the Interconnection Customer is in Dispute Resolution as a result of an allegation that the Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the RIS. The E&P Agreement is an optional procedure. The E&P Agreement shall provide for the Interconnection Customer to pay the cost of all activities authorized by the Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

The 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 the 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, the Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the applicable Participating TO(s) may elect: (i) to take title to the equipment, in which event the applicable Participating TO(s) shall refund the 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 the Interconnection Customer, in which event the Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 13 Generator Interconnection Agreement (GIA)

13.1 Tender

13.1.1

The Interconnection Customer will tender comments on the draft Interconnection Facilities Study Report within thirty (30) calendar days of receipt of the report. Within thirty (30) calendar days after the latter of (a) the comments are submitted, (b) the Interconnection Customer notifies the CAISO it will not provide comments, the Participating TO will tender a draft GIA, together with draft appendices. The draft GIA will be in the form of the CAISO's FERC-approved standard form GIA, which is in Appendix LL or MM, as applicable. The Interconnection Customer will execute and return the GIA and completed draft appendices within thirty (30) calendar days, unless (1) the sixty (60) calendar day negotiation period under Section 13.2 of this RIS has commenced, or (2) GIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 13.2.1 of this RIS. The CAISO and Participating TO will suspend negotiations for an Option (A) Generating Facility that has been tendered a GIA and subsequently elects to park its Interconnection Request. The draft GIA will be in the form of the FERC-approved GIA set forth in CAISO Tariff Appendix EE or Appendix FF, as applicable.

13.1.2 Consistent with Section 13.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the GIA, as appropriately modified.

13.2 Negotiation

Notwithstanding Section 13.1 of this RIS, at the request of Interconnection Customer, the CAISO and Participating TO will begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. The CAISO, Participating TO, and the Interconnection Customer will negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than sixty (60) calendar days after tender of the final Interconnection Facilities Study Report. If the 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 Section 13.1 of this RIS and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5 of this RIS. If the Interconnection Customer requests termination of the negotiations, but within sixty (60) calendar days thereafter fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it will be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 of this RIS within sixty (60) calendar days of tender of draft GIA, it will be deemed to have withdrawn its Interconnection Request. The Participating TO will provide to the Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

13.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report

If the Interconnection Customer has not received its Affected System Study Report from an Identified Affected System prior to the date it would be required to execute its GIA (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS, the CAISO will, upon request of the Interconnection Customer, extend this deadline to thirty (30) calendar days after the Interconnection Customer's receipt of the Affected System Study Report, or two hundred and ten (210) calendar days after the tendering of the GIA and appendices, whichever is earlier.

If the Interconnection Customer, after delaying GIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to GIA execution, or request unexecuted filing, without those results, it may notify the CAISO of its intent to proceed with GIA execution (or

request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS.

If the CAISO determines that further delay to the GIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, the CAISO must notify the Interconnection Customer of such impacts and set the deadline to execute the GIA (or request that the GIA be filed unexecuted) to thirty (30) calendar days after such notice is provided.

13.3 Execution and Filing

The Interconnection Customer shall either: (i) execute the appropriate number of originals of the tendered GIA as specified in the directions provided by the CAISO and return them to the CAISO, as directed, for completion of the execution process; or (ii) request in writing that the applicable Participating TO(s) and CAISO file with FERC a GIA in unexecuted form. The GIA shall be considered executed as of the date that all three Parties have signed the GIA. As soon as practicable, but not later than ten (10) Business Days after receiving either the 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, the applicable Participating TO(s) and CAISO shall file the GIA with FERC, as necessary, together with an explanation of any matters as to which the Interconnection Customer and the applicable Participating TO(s) or CAISO disagree and support for the costs that the applicable Participating TO(s) propose to charge to the Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by the applicable Participating TO(s) and CAISO 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.

Simultaneously with submitting the executed GIA, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC, the Interconnection Customer shall provide the CAISO with the following: (1) demonstration of continued Site Control pursuant to Section 8.1.1(2) of this RIS; and (2) the GIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft GIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to the CAISO for its Interconnection Request. The CAISO shall use GIA Deposit as (or as a portion of) the Interconnection Customer's security required under GIA Article 11.5. The Interconnection Customer may not request to suspend its GIA under GIA Article 5.16 until Interconnection Customer has provided (1) and (2) to the CAISO. If the Interconnection Customer fails to provide (1) and (2) to the CAISO within the thirty (30) days allowed for returning the executed GIA and appendices under RIS Section 13.1.1, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC as allowed in this Section 13.3 of this RIS, the Interconnection Request will be deemed withdrawn pursuant to Section 3.8 of this RIS.

13.4 Commencement of Interconnection Activities

If the Interconnection Customer executes the final GIA, the applicable Participating TO(s), CAISO and the 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, the Interconnection Customer, applicable Participating TO(s) and CAISO may proceed to comply with the unexecuted GIA, pending FERC action.

13.5 Interconnection Customer to Meet PTO Handbook Requirements

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the applicable Participating TO's Interconnection Handbook.

Section 14 Construction and Neighboring System Impacts

14.1 Schedule

The applicable Participating TO(s) and the Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of the applicable Participating TO's Interconnection Facilities and the Network Upgrades.

14.2 Construction Sequencing

14.2.1 General

In general, the sequence of construction of Stand Alone Network Upgrades or other Network Upgrades for a single Interconnection Request, 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 Stand Alone Network Upgrades or other Network Upgrades.

14.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer

The applicable Participating TO(s) shall be responsible for financing and 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 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, and such GIA specifies that the Participating TO would 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).

Where the Participating TO is constructing ADNUs for Option (B) Interconnection Customers and one of the two conditions above occurs, the Participating TO shall continue to construct such ADNUs with financing provided from the Commercial Readiness Deposit of those Option (B) Interconnection Customers' Interconnection referred to above, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers who still need the ADNUs.

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

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the CAISO, applicable Participating TO(s), and the Interconnection Customer as part of the Interconnection Study, the applicable Participating TO(s) 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 applicable Participating TO(s) any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under Section shall be in addition to the Interconnection Customer's cost responsibility.

14.2.3 Advancing Construction of Network Upgrades that are Part of the CAISO's Transmission Plan

An Interconnection Customer with a GIA, in order to maintain its In-Service Date as specified in the GIA, may request that the CAISO and applicable Participating TO(s) advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an approved CAISO Transmission Plan covering the PTO Service Territory of the applicable Participating TO(s), in time to support such In-Service Date. Upon such request, the applicable Participating TO(s) will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Interconnection Customer commits to pay the applicable Participating TO(s) any associated expediting costs. The Interconnection Customer shall be entitled to refunds, if any, in accordance with the GIA, for any expediting costs paid.

14.2.4 Limited Operation Study

14.2.4.1 Pursuant to Article 5.9 of the Large Generator Interconnection Agreement set forth in Appendices V, BB, CC, and EE, Generating Facilities may request a limited operation study. The Participating TO and/or the CAISO, as applicable, will, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. The Participating TO and the CAISO will permit the Interconnection Customer to operate the Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies. To the extent study assumptions change, the CAISO and Participating TO will update study results as needed.

14.2.4.2 The Generating Unit owner will provide the CAISO a \$10,000 deposit for the limited operation study with the request. Except as provided below, any limited operation study will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from when the CAISO receives all of the following: the Generating Unit owner's written approval of the limited operation study plan, technical data required to assess the request, and the \$10,000 deposit. If the limited operation study cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

Notwithstanding any other provision, all refunds pursuant to this Appendix KK will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

14.2.4.3 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and the Participating TO(s) in conducting the modification assessment. If the actual costs of the limited operation study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the limited operation study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any limited operation study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the assessment.

14.3 Network Upgrades

With the exception of LDNUs and ADNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the applicable Participating TO(s). Interconnection Customers may, at their discretion, select parties other than the applicable PTOs to construct certain LDNUs and ADNUs required by their Option (B) Generating Facilities that are not allocated TP Deliverability, if such LDNUs and ADNUs are eligible for construction by parties other than the applicable PTO pursuant to Section 24.5.2 of the CAISO Tariff. Such ADNUs and LDNUs will be incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1, and 36.11. Unless the Interconnection Customer elects construction by a party other than the applicable Participating TO, the applicable Participating TO(s) will be obligated to construct the LDNUs and ADNUs. This Section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrade(s) in accordance with the LGIA.

14.3.1 Initial Funding

Assigned Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the Commercial Readiness Deposit or GIA Deposit 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 Current Cost Responsibility assigned to each Interconnection Customer(s). Current Cost Responsibility may be adjusted consistent with this RIS and up to the Interconnection Customer's Maximum Cost Responsibility, but the applicable Participating TO(s) shall be responsible for funding any capital costs for the Assigned Network Upgrades that exceed the Current Cost Responsibility assigned to the Interconnection Customer(s).

(a) Where the funding responsibility for any RNUs, and LDNUs has been assigned to a single Interconnection Customer, the applicable Participating TO(s) shall invoice the Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to each Interconnection Customer(s) for the RNUs or LDNUs, respectively.

(b) Where the funding responsibility for an RNU or LDNU has been assigned to more than one Interconnection Customer in accordance with this RIS, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such Network Upgrades in accordance with their respective Current Cost Responsibilities. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to that Interconnection Customer.

(c) Where the funding responsibility for an ADNU being constructed by one or more Participating TO has been assigned to more than one Option (B) Interconnection Customer, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such ADNUs based on their respective Current Cost Responsibilities.

Any permissible extension of the Commercial Operation Date of a Generating Facility will not alter the Interconnection Customer's obligation to finance its Assigned 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.

14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security

14.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

Interconnection Customers will be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Section 14.3.2.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (1) For RNUs, in accordance with the Interconnection Customer's cost responsibility assigned up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this RIS. Interconnection Customers will be entitled to repayment subject to the figure corresponding to their Commercial Operation Date.
- (2) For LDNUs, except for LDNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's Current Cost Responsibility.

(3) Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for LDNUs or ADNUs.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

For Network Upgrades the Interconnection Customer funded but did not receive repayment, the Interconnection Customer will be eligible to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with CAISO Tariff Section 36.11 associated with those Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.

14.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase in accordance with the Interconnection Customer's Current Cost Responsibility assigned for the phase and subject to the limitations specified in Section 14.3.2.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the GIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the GIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA;
- (e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of Deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred

(100) percent has been posted, then all required Interconnection Financial Security instruments to the date of commencement of repayment).

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer will be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this Section 14.3.2.2. If the GIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Section 14.3.2.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the GIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases provided that the party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Section 14.3.2.2 shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.2 ; or (2) any alternative payment schedule that associates the completion of Network Upgrades with the completion of particular phases and that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

14.3.2.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. The Interconnection Customer may assign such repayment rights to any person.

14.4 Special Provisions for Affected Systems, Other Affected PTOs

The Interconnection Customer shall enter into an agreement with the owner of the Affected

System and/or other affected Participating TO(s), as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected Participating TO(s). If the affected entity is another Participating TO, the initial form of agreement will be the GIA, as appropriately modified.

14.4.1 Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs

Interconnection Studies will list separate cost estimates for facilities and Network Upgrades required on the interconnecting Participating TO and affected Participating TO's systems. These separate sums will produce a single, combined Maximum Cost Responsibility and a single, combined Maximum Cost Exposure for the Interconnection Customer. Current Cost Responsibilities for each Participating TO's facilities and Network Upgrades may be adjusted up to the Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure, as applicable.

The Interconnection Customer will post its Commercial Readiness Deposits and GIA Deposit to each Participating TO based on the separate Current Cost Responsibilities for facilities and Network Upgrades on their respective systems.

Each Participating TO will repay amounts received for Network Upgrades pursuant to this RIS. Reimbursement for Reliability Network Upgrades will be paid by each Participating TO but subject to a single, combined maximum based upon the Interconnection Customer's generating capacity, as described in Section 14.3.2. If the amount funded for the Reliability Network Upgrades exceeds this maximum, each Participating TO will repay the Interconnection Customer proportional to its share of the Interconnection Customer's Current Cost Responsibility for the Reliability Network Upgrades.

14.5 CAISO as an Affected System

The CAISO and Participating TOs whose system may be impacted by a proposed interconnection on another transmission provider's transmission system will cooperate with the transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to the CAISO Controlled Grid.

14.5.1 Applicability

This Section 14.5 outlines the duties of the CAISO and affected Participating TO when the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid. The interconnection customer will be eligible for repayment of amounts advanced for Network Upgrades consistent with Section 14.3.2.1.

14.5.2 Response to Notifications

When the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid, the CAISO must respond in writing within twenty (20) Business Days whether the Participating TO intends to conduct an Affected System Study.

By fifteen (15) Business Days after the CAISO responds with its affirmative intent to conduct an Affected System Study, the Participating TO will share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

Within five (5) Business Days of receipt of notification of Cluster Restudy, the Participating TO will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that the Participating TO intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If the Participating TO decides to delay the Affected System Study, it is not required to meet its obligations under Section 14 of this RIS until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If the Participating TO decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 14.5 of this RIS.

14.5.3 Affected System Queue Position

The CAISO must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position will be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the CAISO's Interconnection Customers, this Affected System Queue Position will be higher-queued than any Cluster that has not yet received its Cluster Study Report and will be lower-queued than any Cluster that has already received its Cluster Study Report. Consistent with Section 14.5.7 of this RIS, the CAISO and Participating TO(s) will study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 14.5.7 of this RIS will be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades will be allocated among the Affected System Interconnection Customers in accordance with Section 14.5.9 of this RIS.

14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, the Participating TO will provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 11 or Appendix 12 to this RIS, as applicable, within ten (10) Business Days of the Participating TO sharing the schedule for the Affected System Study per Section 14.5.2 of this RIS.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) will compensate the Participating TO for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study will be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study will include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) will pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) calendar days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it will lose its Affected System Queue Position. The Participating TO will notify the CAISO and the Affected System Interconnection Customer's host transmission provider of such failure to pay.

14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

The Affected System Interconnection Customer(s) will execute the Affected System

Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to the Participating TO, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If the Participating TO notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 14.5.2 of this RIS, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If the Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, the Participating TO will notify the deficient Affected System Interconnection Customer, the CAISO, and the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer will cure the technical deficiency within ten (10) Business Days of receipt of the notice; provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer will lose its Affected System Queue Position.

14.5.6 Scope of Affected System Study

The Affected System Study will evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the CAISO Controlled Grid. The Affected System Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to the CAISO Controlled Grid; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to the CAISO Controlled Grid; and (iv) have no queue position but have executed a GIA or requested that an unexecuted GIA be filed with FERC. The CAISO and Participating TO have no obligation to study impacts of Affected System Interconnection Customers of which they are not notified.

The Affected System Study will consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, 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. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study will consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report will provide a list of facilities that are required as a result of Affected System Interconnection Customer's

proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

14.5.7 Affected System Study Procedures

The CAISO and Participating TOs will use Clustering in conducting the Affected System Study and will use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. The Participating TO will complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s), the CAISO, and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) calendar days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, the Participating TO will notify Affected System Interconnection Customer as to the status of the Affected System Study. If the Participating TO is unable to complete the Affected System Study within the requisite time period, it will notify Affected System Interconnection Customer(s), as well as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and will provide an estimated completion date with an explanation of the reasons why additional time is required. If the Participating TO does not meet the deadlines in this Section, the Participating TO will be subject to the financial penalties as described in Section 3.11 of this RIS. Upon request, the Participating TO will provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

The Participating TO must study an Affected System Interconnection Customer as Energy Only, regardless of the level of interconnection service that the Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

14.5.8 Meeting with the CAISO and Participating TO

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), the Participating TO, the CAISO, and the Affected System Interconnection Customer(s) will meet to discuss the results of the Affected System Study.

14.5.9 Affected System Cost Allocation

The Participating TO will allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 6.3.1 of this RIS.

14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

The Participating TO will tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 13 or 14 to this RIS, within thirty (30) calendar days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction

Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. The Participating TO will execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). The Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, will result in the loss of its Affected System Queue Position.

14.5.11 Restudy

If restudy of the Affected System Study is required, the Participating TO will notify Affected System Interconnection Customer(s) and the CAISO in writing within thirty (30) calendar days of discovery of the need for restudy. Such restudy will take no longer than sixty (60) calendar days from the date of notice. Any cost of restudy will be borne by the Affected System Interconnection Customer(s) being restudied.

Section 15 Miscellaneous

15.1 Confidentiality

For the purposes of this Section 15.1, "Party" or "Parties" shall mean the CAISO, Participating TO(s), Interconnection Customer or any combination of the CAISO, Participating TO(s) or the Interconnection Customer.

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 Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Section 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.

These confidentiality provisions are limited to information provided pursuant to this RIS.

15.1.1 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 Section 15.1.6 of this RIS, 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 RIS. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

15.1.2 Release of Confidential Information

No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by FERC's Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. Part 358), or to Affected Systems, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section.

15.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

15.1.4 No Warranties

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

15.1.5 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 Parties under these procedures or its regulatory requirements.

15.1.6 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 any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties 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.

15.1.7 Remedies

Monetary damages are inadequate to compensate a Party for another Party's breach of its obligations under this Section 15.1. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this Section 15.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the breach of this Section 15.1, but shall be in addition to all other remedies available at law or in equity. Further, the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 15.1.

15.1.8 Disclosure to FERC, its Staff, or a State

Notwithstanding anything in this Section 15.1 to the contrary, and pursuant to 18 C.F.R. 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, 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 C.F.R. 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 Parties prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other applicable Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. 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.

15.1.9 Subject to the exception in Section 15.1.8, any Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this RIS or as a transmission service provider or a Balancing Authority 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 Parties in writing of the information it claims is confidential. Prior to any disclosures of another 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.

15.1.10 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).

15.1.11 The Participating TO or CAISO shall, at the 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.

15.2 Delegation of Responsibility

The CAISO and the Participating TOs may use the services of subcontractors as deemed appropriate to perform their obligations under this RIS. The applicable Participating TO or CAISO shall remain primarily liable to the Interconnection Customer for the performance of its respective subcontractors and compliance with its obligations of this RIS. 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.

15.3 [Not Used]

15.4 [Not Used]

15.5 Disputes

If an Interconnection Customer disputes withdrawal of its Interconnection Request under Section 3.8, the CAISO will forward any information regarding the disputed withdrawal received under Section 3.8 within one (1) Business Day to the GIDAP Executive Dispute Committee, consisting of the Vice President responsible for administration of this RIS, the CAISO Vice President responsible for customer affairs, and an additional Vice President. The GIDAP Executive Dispute Committee shall have five (5) Business Days to determine whether or not to restore the Interconnection Request. If the GIDAP Executive Dispute Committee concludes that the Interconnection Request should have been withdrawn, the Interconnection Customer may seek relief in accordance with the CAISO ADR Procedures.

All disputes, other than those arising from Section 3.8, arising out of or in connection with this RIS whereby relief is sought by or from the CAISO shall be settled in accordance with the CAISO ADR Procedures.

Disputes arising out of or in connection with this RIS not subject to the CAISO ADR Procedures shall be resolved as follows:

15.5.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the RIS, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the GIA and RIS.

15.5.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration,

each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 15.5, the terms of this Section 15.5 shall prevail.

15.5.3 Arbitration Decisions

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

15.5.4 Costs

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

15.5.5 Non-binding Alternative Dispute Resolution

If a Party has submitted a Notice of Dispute pursuant to Section 15.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) calendar days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 15.5 arbitration process, a Party may request that the CAISO engage in non-binding Alternative Dispute Resolution pursuant to this section by providing written notice to the CAISO. Conversely, either Party may file a request for non-binding Alternative Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the Section 15.5 arbitration process. The process in this Section 15.5.5 shall serve as an alternative to, and not a replacement of, the Section 15.5 arbitration process. Pursuant to this process, the CAISO must within thirty (30) calendar days of receipt of the request for non-binding Alternative Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) calendar days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the RIS and GIA and shall have no power to modify or change any provision of the RIS and GIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 15.5 arbitration, or in a Federal Power Act section 206

complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

15.6 Local Furnishing Bonds

15.6.1 Participating TOs that Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to a Participating TO that has financed facilities for the local furnishing of electric energy with Local Furnishing Bonds. Notwithstanding any other provisions of this , the Participating TO and the CAISO shall not be required to provide Interconnection Service to the Interconnection Customer pursuant to this and the GIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO.

15.6.2 Alternative Procedures for Requesting Interconnection Service

If a Participating TO determines that the provision of Interconnection Service requested by the Interconnection Customer would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO, it shall advise the Interconnection Customer and the CAISO within (30) calendar days of receipt of the Interconnection Request.

The Interconnection Customer thereafter may renew its request for the same interconnection Service by tendering an application under Section 211 of the Federal Power Act, in which case the Participating TO, within ten (10) calendar days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, and the CAISO and Participating TO shall provide the requested Interconnection Service pursuant to the terms and conditions set forth in this and the GIA.

15.7 Change in CAISO Operational Control

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection 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 deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the Participating TO has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has neither executed the GIA nor requested the filing of an unexecuted GIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

Appendix 1 Interconnection Request
INTERCONNECTION REQUEST

Provide one copy of this completed form pursuant to Section 7 of this Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with the CAISO Controlled Grid pursuant to the CAISO Tariff (check one):
Fast Track Process.

Queue Cluster process.
Annual Deliverability Assessment pursuant to Section 9.

2. This Interconnection Request is for (check one):
A proposed new Generating Facility.
An increase in the generating capacity or a Material Modification to an existing Generating Facility.

3. Requested Deliverability Statuses are (check one):

On-Peak (for purposes of Net Qualifying Capacity):

Full Capacity
Partial Deliverability for _____ MW of electrical output
Energy Only

4. The Interconnection Customer provides the following information:

a. Address or location, including the county, of the proposed new Generating Facility site or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility:

Project Name: _____

Project Location:

Street Address: _____

City, State: _____

County: _____

Zip Code: _____

GPS Coordinates: _____

b. Maximum net megawatt electrical output (as defined by section 2.c of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility:

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

c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen include nameplate MW for each):

Technology	Nameplate
Cogeneration	(MW)
Reciprocating Engine	(MW)
Biomass	(MW)
Steam Turbine	(MW)
Gas Turbine	(MW)
Wind	(MW)
Hydro	(MW)
Photovoltaic	(MW)
Combined Cycle	(MW)

Other (please describe):

General description of the equipment configuration (e.g. number, size, type, etc):

d. Proposed In-Service Date (first date transmission is needed to the facility), Trial Operation date and Commercial Operation Date by month, day, and year and term of service (dates must be sequential):

Proposed Trial Operation Date:

Proposed Commercial Operation Date:

Proposed Term of Service (years):

e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person (primary person who will be contacted):

Name:

Title:

Company Name:

Street Address:

City, State:

Zip Code:

Phone Number:

Fax Number:

Email Address:

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

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

The Interconnection Customer shall provide to the CAISO the technical data called for in Attachment A to this Interconnection Request. One (1) copy is required.

h. Requested Interconnection Service Capacity (in MW) (if lower than the Generating Facility Capacity; may not exceed Generating Facility Capacity):

5. Applicable deposit amount made payable to California ISO. Send check to CAISO (see section 7 below for details) along with the:

a. Interconnection Request for processing.

b. Attachment A (Interconnection Request Generating Facility Data).

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

California ISO
Attn: Grid Assets
P.O. Box 639014
Folsom, CA 95763-9014

Overnight address:
California ISO
Attn: Grid Assets
250 Outcropping Way
Folsom, CA 95630

7. Representative of the Interconnection Customer to contact:

[To be completed by the Interconnection Customer]

Name: _____

Title: _____

Company Name: _____

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

8. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Interconnection Request

Attachment A Generating Facility Data

GENERATING FACILITY DATA

Provide one copy of this completed form.

1. Provide one set of original prints (no larger than 11" x 17") or soft copy on cd/flashdrive of the following:

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

2. Generating Facility Information

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

3. Synchronous Generator – General Information:

(Please repeat the following for each generator model)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. Please attach a plot of generator terminal voltage versus field current that shows the air

gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

4. Excitation System Information

(Please repeat the following for each generator model)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 below or describe the specific excitation system.
- (1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
 - (2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
 - (3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
 - (4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
 - (5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
 - (6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
 - (7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
 - (8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system?
- _____
- _____
- _____

5. Power System Stabilizer Information

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

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

6. Turbine-Governor Information

(Please repeat the following for each generator model)

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

A. Steam, gas or combined-cycle turbines:

- (1) List type of unit (Steam, Gas, or Combined-cycle): _____
- (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
- (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
 - Low pressure turbine or gas turbine: _____ %
 - High pressure turbine or steam turbine: _____ %

B. Hydro turbines:

- (1) Turbine efficiency at rated load: _____ %
- (2) Length of penstock: _____ ft
- (3) Average cross-sectional area of the penstock: _____ ft²
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ ft
- (5) Is the water supply run-of-the-river or reservoir: _____
- (6) Water flow rate at the typical maximum head: _____ ft³/sec
- (7) Average energy rate: _____ kW-hrs/acre-ft
- (8) Estimated yearly energy production: _____ kW-hrs

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

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

7. Induction Generator Data:

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

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

7a Wind Generators

Number of generators to be interconnected pursuant to this Interconnection Request: _____
Average Site Elevation: _____ Single Phase _____ Three Phase _____

Field Volts: _____
 Field Amperes: _____
 Motoring Power (MW): _____
 Neutral Grounding Resistor (If Applicable): _____
 I22t or K (Heating Time Constant): _____
 Rotor Resistance: _____
 Stator Resistance: _____
 Stator Reactance: _____
 Rotor Reactance: _____
 Magnetizing Reactance: _____
 Short Circuit Reactance: _____
 Exciting Current: _____
 Temperature Rise: _____
 Frame Size: _____
 Design Letter: _____
 Reactive Power Required In Vars (No Load): _____
 Reactive Power Required In Vars (Full Load): _____
 Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

8. Generator Short Circuit Data

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

- X"1 – positive sequence subtransient reactance: _____ p.u.**
- X2 – negative sequence reactance: _____ p.u.**
- X0 – zero sequence reactance: _____

Generator Grounding (select 1 for each model):

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

9. Step-Up Transformer Data

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

10. Interconnection Facilities Line Data

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

Nominal Voltage: _____ kV
 Line Length: _____ miles
 Line termination Points: _____
 Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.

Phase Configuration. Vertical: _____, Horizontal: _____
Phase Spacing: A-B: _____ ft., B-C: _____ ft., C-A: _____ ft.
Distance of lowest conductor to Ground at full load and 40 C: _____ ° ft
Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
Attach Tower Configuration Diagram
Summer line ratings in amperes (normal and emergency) _____
Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
Line Charging (B/2): _____ p.u.**
** On 100-MVA and nominal line voltage (kV) Base

10a. For Wind/photovoltaic plants, provide collector System Equivalence Impedance Data
Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____
Summer line ratings in amperes (normal and emergency) _____
Positive Sequence Resistance (R1): _____ p.u.** (for entire line length of each collector circuit)
Positive Sequence Reactance: (X1): _____ p.u.** (for entire line length of each collector circuit)
Zero Sequence Resistance (R0): _____ p.u.** (for entire line length of each collector circuit)
Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)
Line Charging (B/2): _____ p.u.** (for entire line length of each collector circuit)
** On 100-MVA and nominal line voltage (kV) Base

11. Inverter-Based Machines

Number of inverters to be interconnected pursuant to this Interconnection Request: _____

Inverter manufacturer, model name, number, and version:

List of adjustable set points for the protective equipment or software:

Max design fault contribution current:

Harmonics Characteristics:

Start-up requirements:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

12. Load Flow and Dynamic Models:

Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model

from the General Electric PSLF Program Manual and provide the required input data. For inverter based generating facilities, select the appropriate generator and control models from the General Electric PSLF Program Manual and provide the required input data. **Provide a completed *.dyd file that contains the information specified in this section. One copy of this data should be provided on DVD, CD, or USB flash drive media.**

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

13. MODELS FOR NON-SYNCHRONOUS GENERATORS

For a non-synchronous Generating Facility, the Interconnection Customer will provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; and (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer's Generating Facility: A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities' control strategies but does not necessarily correspond to any generic library model. The Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from the Interconnection Customer that the model accurately represents the entire Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

<u>GE PSLF</u>	<u>Description</u>
<u>pvd1</u>	<u>Distributed PV system model</u>
<u>der_a</u>	<u>Distributed energy resource model</u>
<u>regc_a</u>	<u>Generator/converter model</u>
<u>regc_b</u>	<u>Generator/converter model</u>
<u>wt1g</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt2g</u>	<u>Generator model for generic Type-2 wind turbines</u>
<u>wt2e</u>	<u>Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g</u>
<u>reec_a</u>	<u>Renewable energy electrical control model</u>
<u>reec_c</u>	<u>Electrical control model for battery energy storage system</u>
<u>reec_d</u>	<u>Renewable energy electrical control model</u>
<u>wt1t</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt1p_b</u>	<u>Generic wind turbine pitch controller for WTGs of Types 1 and 2</u>

<u>GE PSLF</u>	<u>Description</u>
<u>wt2t</u>	<u>Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)</u>
<u>wtqt_a</u>	<u>Wind turbine drive train model</u>
<u>wtga_a</u>	<u>Simple aerodynamic model</u>
<u>wtgp_a</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtgg_a</u>	<u>Wind Turbine Generator Torque controller</u>
<u>wtqwo_a</u>	<u>Supplementary control model for Weak Grids</u>
<u>wtgibfr_a</u>	<u>Inertial-base fast frequency response control</u>
<u>wtgp_b</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtqt_b</u>	<u>Drive train model</u>
<u>repc_a</u>	<u>Power Plant Controller</u>

14. Operating Assumptions

If applicable, include (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to its intended operation.

TABLE 1

TRANSFORMER DATA
(Provide for each level of transformation)

UNIT _____

NUMBER OF TRANSFORMERS _____ PHASE _____

<u>RATING</u>	<u>H Winding</u>	<u>X Winding</u>	<u>Y Winding</u>
<u>Rated MVA</u>	_____	_____	_____
<u>Connection (Delta, Wye, Gnd.)</u>	_____	_____	_____
<u>Cooling Type (OA, OA/FA, etc.) :</u>	_____	_____	_____
<u>Temperature Rise Rating</u>	_____	_____	_____
<u>Rated Voltage</u>	_____	_____	_____
<u>BIL</u>	_____	_____	_____
<u>Available Taps (% of rating)</u>	_____	_____	_____
<u>Load Tap Changer? (Y or N)</u>	_____	_____	_____
<u>Tap Settings</u>	_____	_____	_____
<u>IMPEDANCE</u>	<u>H-X</u>	<u>H-Y</u>	<u>X-Y</u>
<u>Percent</u>	_____	_____	_____
<u>MVA Base</u>	_____	_____	_____
<u>Tested Taps</u>	_____	_____	_____
<u>WINDING RESISTANCE</u>	<u>H</u>	<u>X</u>	<u>Y</u>
<u>Ohms</u>	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

Percent exciting current at 100 % Voltage: _____ 110% Voltage _____

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

Appendix 2

[Intentionally Omitted]

Appendix 3

CLUSTER STUDY AGREEMENT FOR QUEUE CLUSTERS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the 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 the Interconnection Customer dated _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the CAISO Controlled Grid pursuant to Appendix KK to the CAISO Tariff; and

WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the CAISO Controlled Grid;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the CAISO's FERC-approved Resource Interconnection Standards in CAISO Tariff Appendix KK "RIS" or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies, including any accelerated Interconnection Study, in accordance with the CAISO Tariff.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified under the CAISO Tariff. The CAISO reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies.
- 5.0 [Not Used]
- 6.0 Consistent with the RIS and CAISO Tariff, the Interconnection Customer will provide deposits and pay its share of actual costs of applicable studies, including in excess of provided deposits. The CAISO and Participating TO will provide invoices and refunds on a timely basis required by the RIS and the CAISO Tariff.

Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Section 3.5.1 of the RIS.

Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the RIS.

7.0 Pursuant to Section 3.7 of the RIS, the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of the Interconnection Studies or other assessments to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.

8.0 Substantial portions of technical data and assumptions used to perform the Cluster Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the Cluster Study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, 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.

9.0 [Not Used]

10.0 The CAISO and Participating TO(s) shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.

11.0 In accordance with Section 3.8 of the RIS, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.5.1 and 11.4 of the RIS.

12.0 This Agreement shall become effective on the date the CAISO notifies the Interconnection Customer that the Interconnection Request is complete pursuant to Section 3.5.1 of the RIS.

13.0 Miscellaneous.

13.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 15.5 of the RIS.

13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 15.1 of the RIS.

- 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 RIS or such Appendix to the RIS, 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, 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 Participating TO or CAISO. Any waiver of this Agreement shall, if requested, be provided in writing.

Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

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 [Not Used]

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 CAISO 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 Party has caused this Agreement to be duly executed by its duly authorized officers or agents on the day and year first above written.

[Insert name of the Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Appendix A

[Not Used]

Appendix B

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

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and a _____ organized and existing under the laws of the State of California _____, ("the CAISO "). Interconnection Customer and the CAISO 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 Transmission System; and

WHEREAS, the CAISO and Participating TO have completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested the CAISO and Participating TO to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Transmission System.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified will have the meanings indicated in the CAISO's FERC-approved RIS.

2.0 Interconnection Customer elects and the CAISO and Participating TO will cause an Interconnection Facilities Study consistent with Section 8.0 of this RIS to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study will be subject to the assumptions set forth in and the data provided with this Agreement, as set forth in this Appendix B.

4.0 The Interconnection Facilities Study Report (i) will provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) will address the short circuit, instability, and power flow issues identified in the Cluster Study.

5.0 Interconnection Customer will provide a Commercial Readiness Deposit per Section 8.1 of this RIS to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in the data form attached to this agreement.

6.0 Miscellaneous. The Interconnection Facilities Study Agreement will include standard

miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS and the GIA.

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

CAISO _____

By: _____

Title: _____

Date: _____

Interconnection Customer

By: _____

Title: _____

Date: _____

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

Generating Facility size (MW): _____

Provide two copies of this completed form and other required plans and diagrams in accordance with Section 8.1 of the RIS.

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

One set of metering is required for each generation connection to the new bus or existing CAISO Controlled Grid station. Number of generation connections: _____

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

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

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

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

What type of control system or PLC will be located at the 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 the Participating TO'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 the Participating TO or CAISO.

Is the Generating Facility in the Participating TO's service area?

Yes _____ No _____

Local service provider for auxiliary and other power: _____

Point of Interconnection: _____

Please provide proposed schedule dates:

Environmental survey start: _____

Environmental impact report submittal: _____

Procurement of project equipment: _____

Begin Construction Date: _____

In-Service Date: _____

r

Trial Operation Date: _____

Commercial Operation Date: _____

Level of Deliverability: Choose one of the following:

_____ Energy Only

_____ Full 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.

The CAISO and Participating TO will complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed copy of this Interconnection Facilities Study Agreement.

Please provide any additional modification request pursuant to Section 6.7.2.2 of Appendix KK.

Appendix 4

AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS

This Agreement for the Allocation of Responsibilities With Regard to Generator Interconnection Procedures and Interconnection Study Agreements ("Agreement"), dated _____, is entered into between the California Independent System Operator Corporation ("CAISO") and [NAME OF PTO] ("PTO"). The CAISO and PTO are jointly referred to as the "Parties" and individually, as a "Party."

WHEREAS, this Agreement will ensure an independent assessment of new Generating Facility impacts on the CAISO Controlled Grid and take advantage of the respective expertise of the Parties to facilitate efficient and cost effective Interconnection Study procedures in a manner consistent with the Federal Energy Regulatory Commission's ("FERC") July 1, 2005 Order (112 FERC ¶ 61,009), FERC's August 26, 2005 Order (112 FERC ¶ 61,231), and prior FERC Orders recognizing that Order No. 2003 did not allocate responsibilities between transmission owners and transmission providers for the provision of Interconnection Service and suggesting those parties enter into an agreement to allocate those responsibilities. Southwest Power Pool, Inc., 106 FERC ¶ 61,254 (2004).

NOW THEREFORE, in view of the respective responsibilities assigned to the Parties and the foregoing FERC orders, and the provisions of the CAISO's Generator Interconnection Procedures set forth in CAISO Tariff Appendix KK, the CAISO and PTO agree to the following allocation of responsibilities for a centralized Interconnection Study process under the direction and oversight of the CAISO:

1. DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the CAISO Tariff.

2. TERM OF AGREEMENT

This Agreement shall become effective upon the date specified in the first paragraph above and shall remain in effect until (1) terminated by all Parties in writing, or (2) with respect to the PTO, upon the termination of that entity's status as a PTO pursuant to the Transmission Control Agreement, as amended from time to time.

3. PROVISIONS FOR ALLOCATION OF RESPONSIBILITIES BETWEEN CAISO AND PTO

3.1 Interconnection Service: The Parties acknowledge that, as the transmission provider, the CAISO is responsible for reliably operating the transmission grid. The Parties also recognize that while the CAISO is a transmission provider under the CAISO Tariff, the CAISO does not own any transmission facilities, and the PTO owns, constructs, and maintains the facilities to which Generating Facilities are to be interconnected, and that the PTO may construct or modify facilities to allow the interconnection. While the Parties recognize that the CAISO will be responsible for conducting or causing to be performed Interconnection Studies and similar studies, the PTO will participate in these studies and conduct certain portions of studies, under the direction and oversight of, and approval by, the CAISO, as provided in this Agreement. The CAISO shall not enter into any Interconnection Study agreement with an Interconnection Customer that is contrary to these rights.

3.2 [INTENTIONALLY LEFT BLANK]

3.3 Transmission Owners' Right to Participation in Studies, Committees and Meetings:

3.3.1 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in any Interconnection Study or any other study conducted in connection with such request for Interconnection Service. "Participate" in this Section 3.3.1 means physically perform any study or portion thereof in connection with an Interconnection Request, under the direction and oversight of, and approval by, the CAISO pursuant to Section 3.4 of this Agreement; provide or receive input, data or other information regarding any study or portion thereof consistent with Section 3.4 of this Agreement; and, when any study or portion thereof in connection with an Interconnection Request is physically performed by an entity other than the PTO, perform activities necessary to adequately review or validate, as appropriate, any results of the study or portions thereof and provide recommendations.

3.3.2 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in all meetings expressly established pursuant to the CAISO . As appropriate, the PTO may participate in all other material or substantive communications in connection with an Interconnection Request.

3.4 Interconnection Study Responsibility Allocation: In complying with its responsibility for conducting or causing to be performed Interconnection Studies, the CAISO will assign responsibility for performance of portions of the Interconnection Studies to the PTO, under the direction and oversight of, and approval by, the CAISO, as set forth in Attachment A, except as specifically qualified as follows:

3.4.1 For any tasks specifically assigned to the PTO pursuant to Attachment A or otherwise mutually agreed upon by the CAISO and the PTO, the CAISO reserves the right, on a case-by-case basis, to perform or reassign to a mutually agreed upon and pre-qualified contractor such task only where: (a) the quality and accuracy of prior PTO Interconnection Study work product resulting from assigned tasks has been deemed deficient by the CAISO, the CAISO has notified the PTO pursuant to the notice provision of Section 4.15 of this Agreement in writing of the deficiency, and the deficiency has not been cured pursuant to Section 3.4.2 of this Agreement; (b) the timeliness of PTO Interconnection Study work product has been deemed deficient, and either (i) the CAISO has not been notified of the reasons and actions taken to address the timeliness of the work, or (ii) if notified, the stated reasons and actions taken are insufficient or unjustifiable and the PTO has not cured the deficiency pursuant to Section 3.4.2 of this Agreement; (c) the PTO has failed, in a mutually agreed upon timeframe, to provide the CAISO with information or data related to an Interconnection Request despite a written request by the CAISO, pursuant to Section 3.5 hereof, to do so, and such data is the responsibility of the PTO to provide to the CAISO, subject to Section 4.3 of this Agreement; (d) the PTO advises the CAISO in writing that it does not have the resources to adequately or timely perform the task according to the applicable timelines set forth in Attachment A; or (e) the estimated cost of the PTO performing the task has been determined in writing by the CAISO to significantly exceed the cost of the CAISO or mutually agreed upon contractor performing the task, inclusive of the costs that will be incurred by the PTO in exercising its review rights of the results of any such tasks performed by such third party(ies). If the CAISO deviates from the assignments set forth in Attachment A based on the foregoing factors, the CAISO will provide the PTO with a written explanation for the deviation and any associated reassignments of work. The PTO may contest the deviation pursuant

to the Dispute Resolution procedures set forth in Section 4.1 of this Agreement.

Task(s) may only be reassigned in accordance with this Section 3.4.1 where the PTO has been deemed to be deficient in relation to that (those) particular task(s).

3.4.2 Cure for reassigned Interconnection Study work

The CAISO shall not reassign task(s) without the opportunity to cure, as specified in Section 3.4.1 of this Agreement. The following actions will serve to cure the deficiencies and result in restoring the assignment(s) as provided in Attachment

A:

- (a) The CAISO and PTO shall negotiate in good faith and agree to a corrective action plan proposed by the PTO, including a reasonably adequate cure period, and the corrective action plan is satisfactorily implemented.
- (b) The CAISO determines the deficiency is cured without an action plan.

3.4.3 Assessment of prior PTO Interconnection Study work shall only be based on work conducted under the process that becomes effective concurrent with the effective date of this Agreement. Further, assessment of prior PTO Interconnection Study work shall be based on work conducted no earlier than the eighteen (18) month period prior to the date of the CAISO notice of deviation from assignments set forth in Attachment A to this Agreement.

3.5 Information Exchange: The PTO shall provide the CAISO, subject to confidentiality requirements in Section 4.3 of this Agreement, with any documentation or data requested by the CAISO reasonably necessary to permit the CAISO to perform, review, validate and approve any Interconnection Study, or portion thereof, performed by the PTO. The CAISO shall provide the PTO with any documentation or data requested by the PTO, subject to confidentiality requirements in Section 4.3 of this Agreement, reasonably necessary to perform, review, and validate any Interconnection Study, or portion thereof.

3.6 Consistency with Provisions for Centralized Interconnection Study Process: The CAISO and PTO have determined that the processes and allocation of responsibilities in Section 3.4 of this Agreement ensure that impacts to the CAISO Controlled Grid are independently assessed and that the assignment of responsibilities minimizes handoffs, takes advantage of non-transferable skills, and promotes the efficiency and cost-effectiveness of the centralized Interconnection Study processes, consistent with Section 3.2.

3.7 Re-Studies: If any re-studies are required, the CAISO will confer with the PTO as to the need for a re-study. The CAISO will make the final determination regarding the need for a re-study, subject to dispute resolution procedures.

3.8 Use of Contractors: Nothing in this Agreement shall prevent either the CAISO or the PTO from using qualified, mutually agreed upon third party contractors to meet that Party's rights or obligations under this Agreement or the . To promote the efficiency of the process, the CAISO and PTO will collaborate to identify a list of the mutually agreed to qualified contractors available to the Parties.

3.9 Performance Standards: Each Party shall perform all of its obligations under the RIS, this Agreement, and any FERC approved Interconnection Study procedures that may be adopted by the CAISO to implement the RIS or this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice.

3.10 Recovery of Costs: In accordance with Section 3.5.1 of the RIS, the PTO shall recover all actual costs from the CAISO incurred in performing Interconnection Studies or portions thereof assigned to it by the CAISO, including all costs incurred in exercising its right to review, and make recommendations on, Interconnection Studies or portions thereof performed by the CAISO and/or contractors under Section 3.8 of this Agreement.

4 GENERAL TERMS AND CONDITIONS

4.1 Dispute Resolution: In the event any dispute regarding the terms, conditions, and performance of this Agreement is not settled informally, the Parties shall follow the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff.

4.2 Liability: No Party to this Agreement shall be liable to any other Party for any direct, indirect, special, incidental or consequential losses, damages, claims, liabilities, costs or expenses (including attorneys fees and court costs) arising from the performance or non-performance of its obligations under this Agreement regardless of the cause (including intentional action, willful action, gross or ordinary negligence, or force majeure); provided, however, that a Party may seek equitable or other non-monetary relief as may be necessary to enforce this Agreement and that damages for which a Party may be liable to another Party under another agreement will not be considered damages under this Agreement.

4.3 Confidentiality: Confidential Information shall be treated in accordance with Section 14.1 of the RIS.

4.4 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.

4.5 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.

4.6 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, Attachment, or Appendix means such Article or Section of this Agreement or such Attachment or Appendix to this Agreement, or such Section of the or such Appendix to the , as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section; (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".

4.7 Entire Agreement: This Agreement, including all Attachments hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and

supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.

- 4.8** 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.
- 4.9** 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 a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing. Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 4.10** 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.
- 4.11** 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.
- 4.12** Modification by the Parties: The Parties may amend this Agreement and any Appendices to this Agreement only (1) by mutual agreement of the Parties by a written instrument duly executed by the Parties, subject to FERC approval or (2) upon the issuance of a FERC order, pursuant to Section 206 of the Federal Power Act. It is the Parties' intent that FERC's right to change any provision of this Agreement shall be limited to the maximum extent permissible by law and that any such change, if permissible, shall be in accordance with the Mobile-Sierra public interest standard applicable to fixed rate agreements. United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956). Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations. Notwithstanding the foregoing, Attachment B (Notices) may be modified as set forth in Section 4.15 of this Agreement, and the CAISO and the PTO may from time to time mutually agree to deviate from Attachment A in accordance with the provisions of this Agreement, however, such deviation shall be subject to Section 4.9 of this Agreement and not considered a course of dealing.
- 4.13** 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.
- 4.14** Assignment: This Agreement may be assigned by a Party only with the written consent

of the other Parties: provided that a Party may assign this Agreement without the consent of the other Parties 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. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

4.15 Notices: Any notice, demand, or request provided in this Agreement, or served, given, or made in connection with it, will be in writing and deemed properly served, given, or made if delivered in person, transmitted by facsimile, or sent by United States mail, postage prepaid, to the persons specified in Attachment B hereto unless otherwise provided in this Agreement. Any Party may at any time, by notice to all other Parties, change the designation or address of the person specified in Attachment B as the person who receives notices pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[NAME OF PTO]

By: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT B
CONTACTS FOR NOTICES

[Section 4.15]

California ISO

Manager, Transmission Engineering
250 Outcropping Way
Folsom, CA 95630
Phone: 916.351.2104
Fax: 916.351.2264

[NAME OF PTO]

[Address of PTO]

Appendix 6
[Intentionally Omitted]

Appendix 7

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Participating TO ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Resource Interconnection Standards (RIS). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____
Electric Service Company: _____
Account Number: _____
Inverter Manufacturer: _____ Model _____
Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)
Single Phase _____ Three Phase _____
System Design Capacity: _____ (kW) _____ (kVA)
Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell
Turbine Other _____
Energy Source: Solar Wind Hydro Diesel Natural Gas
Fuel Oil Other (describe) _____
Is the equipment UL1741 Listed? Yes _____ No _____
If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Appendices 9 and 10 of the Generator Interconnection Procedures (), or the Participating TO has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	<u>Equipment Type</u>	<u>Certifying Entity</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes ___ No ___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City _____ State _____ ZIP: _____

Fax: _____

Approval to Energize the Small Generating Facility (For Company use only)
Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for
Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Participating TO (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 The Customer returns the Certificate of Completion to the Company, and

2.3 The Company has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

2.3.3 The Company waives the right to inspect the Small Generating Facility.

2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.

5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

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

7.0 Insurance

The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

9.1 By the Customer

By providing written notice to the Company.

9.2 By the Company

If the Small Generating Facility fails to operate for any consecutive 12-month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Appendix 8

[intentionally omitted]

Appendix 9

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Appendix 10

Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in Appendix 9, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

APPENDIX 11

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer), and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO), and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customer, the CAISO, and the Participating TO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 the Participating TO will coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. the CAISO reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study will provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the {generating facility} to the transmission system of the host transmission provider; and

- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer will provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, the Participating TO will charge, and Affected System Interconnection Customer will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of the CAISO }

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 11
Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and the Participating TO }

APPENDIX 12
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO); and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customers, the CAISO, and the Participating TO each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 the Participating TO will coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}, the Participating TO reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study will provide the following information:
 - _____ identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - _____ identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - _____ identification of any instability or inadequately damped response to system

disturbances resulting from the interconnection:

- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers will each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, the Participating TO will charge, and Affected System Interconnection Customers will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of the CAISO }

By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
Title: _____
Date: _____

Project No. _____

Attachment A to Appendix 12
Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and the Participating TO }

APPENDIX 13
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). **Affected System Interconnection Customer and the Participating TO each may be referred to as a "Party" or collectively as the "Parties."**

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customer for the Participating TO's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to the Participating TO under this Agreement. No termination

of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer by the Participating TO for any such damages, including costs and expenses, incurred by the Participating TO as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by the Participating TO, Affected System Interconnection Customer will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. The Participating TO will 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 Affected System Interconnection Customer will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer will be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 The Participating TO Obligations. The Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. The Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to the Participating TO written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, the Participating TO will obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer will be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to the Participating TO of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify Affected System Interconnection Customer. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. The Participating TO will also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. The Participating TO will, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or the Participating TO, the Participating TO will, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The

Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customer has suspended construction pursuant to Article 3.1.2. Affected System Interconnection Customer may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If the Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Affected System Network Upgrade(s). Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customer will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customer will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customer with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest,

abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to the Participating TO, the Participating TO will promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or which the Participating TO may be entitled with respect to such payment. Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: The Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to the Participating TO under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. The Participating TO and Affected System Interconnection Customer will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, the Participating TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which Affected System Interconnection Customer may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 **SECURITY, BILLING, AND PAYMENTS**

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for

installing the Affected System Network Upgrade(s). Affected System Interconnection Customer will provide the Participating TO, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. the Participating TO will refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5 **BREACH, CURE AND DEFAULT**

5.1 Events of Breach. A Breach of this Agreement will include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 **TERMINATION OF AGREEMENT**

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 the Participating TO Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

(a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by the Participating TO, Affected System Interconnection Customer will reimburse the Participating TO for any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. the Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid the Participating TO for any or all of such costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, the Participating TO will convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 **CONFIDENTIALITY**

8.1 Confidentiality. Confidential Information will include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure.

publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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. Neither Party, however, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Party to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability

organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

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ARTICLE 9
INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party will make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense will have the right, during normal business hours, and upon prior reasonable notice to the Participating TO, to audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To the Participating TO:

-

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

To the Participating TO:

-

-

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To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

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ARTICLE 11 **MISCELLANEOUS**

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

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[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

-

the Participating TO

{the Participating TO}

By: _____

Name: _____

Title: _____

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Attachment A to Appendix 13
Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: the Participating TO Construction Activities

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>START DATE</u>	<u>END DATE</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 13
Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {the Participating TO} and {Affected System Interconnection Customer}, dated _____, 20__.

On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. the Participating TO confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{the Participating TO Representative}

Attachment C to Appendix 13
Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

Exhibit A1
the Participating TO Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

-

	<u>Location</u>	<u>Facilities to Be Constructed by the Participating TO</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

-

APPENDIX 14 TO RIS
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). Affected System Interconnection Customers and the Participating TO each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customers for the Participating TO's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in

Appendix A: (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to the Participating TO under this Agreement. No termination of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer(s) by the Participating TO for any such damages, including costs and expenses incurred by the Participating TO as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers will not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. The Participating TO will not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for the Participating TO to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by the Participating TO, each Affected System Interconnection Customer whose participation in this Agreement is terminated will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers will be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. the Participating TO will 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 Affected System Interconnection Customers will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer will be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers will be adjusted as necessary.

ARTICLE 3 **CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)**

3.1 Construction.

3.1.1 The Participating TO Obligations. the Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. the Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to the Participating TO written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or

orders, the Participating TO will obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers will be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify all other Parties. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers, the Participating TO will also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8, the Participating TO will, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as expressly otherwise agreed, Affected System Interconnection Customers will be collectively responsible

for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or the Participating TO, the Participating TO will, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, each Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount each Affected System Interconnection Customer paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customers will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request

of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customers will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customers with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to the Participating TO, the Participating TO will promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or to which the Participating TO may be entitled with respect to such payment. Each Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: the Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to the Participating TO under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. the Participating TO and such Affected System Interconnection Customer(s) will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, the Participating

TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which such Affected System Interconnection Customer(s) may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer(s) to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 **SECURITY, BILLING, AND PAYMENTS**

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer will provide the Participating TO, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable each Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. the Participating TO will refund, with interest

(calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5 BREACH, CURE, AND DEFAULT

5.1 Events of Breach. A Breach of this Agreement will include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.2.1 Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of the Participating TO. The Participating TO may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. The Participating TO must notify all Parties that it will exercise this option within thirty (30) days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 **Rights in the Event of Default.** Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6
TERMINATION OF AGREEMENT

6.1 **Expiration of Term.** Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 **Termination and Removal.** Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 **Disposition of Facilities Upon Termination of Agreement.**

6.3.1 **the Participating TO Obligations.** Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

(a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 **Affected System Interconnection Customer Obligations.** Upon billing by the Participating TO, each Affected System Interconnection Customer will reimburse the Participating TO for its share of any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. The Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 **Pre-construction or Installation.** Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid the Participating TO for any or all of such costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, the Participating TO will convey and make

available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

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

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII,

each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

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8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the Breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 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 Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Parties to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9 **INFORMATION ACCESS AND AUDIT RIGHTS**

9.1 Information Access. Each Party will make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in

accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to the Participating TO, audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To the Participating TO:

-

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

To the Participating TO:

-

-

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

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ARTICLE 11
MISCELLANEOUS

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

-

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

-

the Participating TO

{the Participating TO}

By: _____

Name: _____

Title: _____

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Attachment A to Appendix 14
Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: the Participating TO Construction Activities

<u>MILESTONE</u>	<u>DESCRIPTION</u>	<u>START</u>	<u>END</u>
<u>NUMBER</u>		<u>DATE</u>	<u>DATE</u>
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

Affected System Interconnection Customer 1 . %
Affected System Interconnection Customer 2 . %
Affected System Interconnection Customer N . %

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 14
Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

- This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customers in substantially the form following:

- {Date}

- {Affected System Interconnection Customers Addresses}

- Re: Completion of Affected System Network Upgrade(s)

- Dear {Name or Title}:

- This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {the Participating TO} and {Affected System Interconnection Customers}, dated _____, 20__.

- On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. the Participating TO confirms that the Affected System Network Upgrade(s) are in place.

- Thank you.

- {Signature}
{the Participating TO Representative}

Attachment C to Appendix 14
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

Exhibit A1
the Participating TO Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

-

	<u>Location</u>	<u>Facilities to Be Constructed by the Participating TO</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

Appendix LL
Large Generator Interconnection Agreement
for Interconnection Requests Processed under the Resource Interconnection Standards
(Appendix KK to the CAISO Tariff)

Appendices

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Appendix H Interconnection Requirements for an Asynchronous Generating Facility

Appendix I Operating Assumptions for Generating Facility

LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this _____ day of _____ 20____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), _____, a corporation organized and existing under the laws of the State of California ("Participating TO**"), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO"). Interconnection Customer, Participating TO, and CAISO each may be referred to as a "Party" or collectively as the "Parties."**

RECITALS

WHEREAS, CAISO exercises Operational Control over the CAISO Controlled Grid; and

WHEREAS, the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and

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

WHEREAS, Interconnection Customer, Participating TO, and CAISO have agreed to enter into this LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO's Transmission System;

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

When used in this LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

Article 1. Definitions

ADNU shall mean Area Delivery Network Upgrade.

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 CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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.

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 Standards shall mean the requirements and guidelines of NERC, the Electric Reliability Organization, and the Balancing Authority Area of the Participating TO's Transmission System to which the Generating Facility is directly connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

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

Area Off-Peak Constraints shall mean a transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

Asynchronous Generating Facility shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.

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

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

Base Case shall mean the base case power flow, short circuit, and stability databases used for the Interconnection Studies.

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

Breaching Party shall mean a Party that is in Breach of this LGIA.

Business Day shall mean Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid shall mean the system of transmission lines and associated facilities of

the parties to the Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Commercial Operation shall mean the status of an Electric Generating Unit or project phase at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of an Electric Generating Unit or project phase shall mean the date on which the Electric Generating Unit or project phase at the Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to this LGIA, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Electric Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Electric Generating Units or project phases.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

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, subject to Article 22.1.2.

Current Cost Responsibility (CCR) shall mean the Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's Commercial Readiness Deposit and GIA Deposit requirements, as applicable.

Deliverability shall mean (1) The annual Net Qualifying Capacity 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. (2) The annual Maximum Import Capability of an Intertie which specifies the amount of resource adequacy capacity measured in MW, that load-serving entities collectively can procure from imports at that Intertie to meet their resource adequacy requirements.

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

Distribution System shall mean those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which this LGIA becomes effective upon execution by all

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.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

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

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

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

General Reliability Network Upgrade (GRNU) shall mean Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

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

Generating Facility Capacity shall mean the net capacity of the Generating Facility or the aggregate net capacity of the Generating Facility where it includes more than one Generating Unit for the production and/or storage for later injection of electricity.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) shall mean the CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in CAISO Tariff Appendix DD.

Generator Interconnection Study Process Agreement (GISPA) shall mean the pro forma agreement between the CAISO and the Interconnection Customer for conducting Interconnection Studies for a proposed Generating Facility under Appendixes Y and DD.

GIA Deposit shall mean the deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts 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 the Interconnection Customer, CAISO, Participating TO, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which an Electric Generating Unit 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 Participating TO’s Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this LGIA, 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 Participating TO’s Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Participating TO’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 Participating TO’s Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades), as identified in the Cluster Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the RIS (Appendix KK).

Interconnection Facilities Study Report shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the RIS.

Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the CAISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

Interconnection Reliability Network Upgrades (IRNU) shall mean Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to Appendix KK, in accordance with Section 25.1 of the CAISO Tariff.

Interconnection Service shall mean the service provided by the Participating TO and CAISO associated with interconnecting the Interconnection Customer's Generating Facility to the Participating TO's Transmission System and enabling the CAISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this LGIA, the Participating TO's Transmission Owner Tariff, and the CAISO Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

IRS shall mean the Internal Revenue Service.

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

LDNU shall mean Local Delivery Network Upgrades.

Local Deliverability Constraint shall mean a transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade shall mean a transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints shall mean a transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties.

Material Modification shall mean a modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position.

Maximum Cost Exposure (MCE) shall mean the sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Interconnection Studies.

Maximum Cost Responsibility (MCR) shall mean the sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from Interconnection Facilities Study, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer or a third party pursuant to Article 5.1.5 of this LGIA, Section 14.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Metering Equipment shall mean all metering equipment installed or to be installed for measuring the output of the Generating Facility pursuant to this LGIA 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.

Net Scheduled Generating Unit shall mean an Electric Generating Unit identified in a Net Scheduled PGA operated as a single unit such that the energy bid or self-schedule with the CAISO is the net value of the aggregate electrical net output of the Electric Generating Unit and the self-provided load.

Net Scheduled PGA shall mean a Net Scheduled Participating Generator Agreement specifying the special provisions for the operating relationship between a Net Scheduled Generating Unit and the CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO Tariff.

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

Off-Peak Deliverability Constraints shall mean a transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades shall mean Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operational Control shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Option (A) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Option (B) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the CAISO Controlled Grid. Participating TO Delivery Network Upgrades can be either ADNU or LDNU.

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

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and Electric Reliability Organization practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Electric Reliability Organization rating. Participating TO's Reliability Network Upgrades do not include any Participating TO's Delivery Network Upgrades.

Participating TO's Transmission System shall mean the facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Party or Parties shall mean the Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Phased Generating Facility shall mean a Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this LGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Generating Facility.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) shall mean Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a

Party under this LGIA, 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.

RNU shall mean Reliability Network Upgrades.

Reliability Network Upgrades (RNU) shall mean the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) shall mean Appendix KK to the CAISO Tariff.

Scoping Meeting shall mean the meeting among representatives of the Interconnection Customer, the applicable Participating TO(s), and the CAISO conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, exchanging information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this GIDAP, and analyzing such information.

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that the Interconnection Customer may construct without affecting day-to-day operations of the CAISO Controlled Grid or Affected Systems during their construction. The Participating TO, the CAISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA. If the CAISO, the Participating TO, and the Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the CAISO or Participating TO must provide the Interconnection Customer a written technical explanation outlining why it does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service Capacity established herein, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service Capacity at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, that protects (1) the Participating TO's Transmission System, Participating TO's Interconnection Facilities, CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or

other electrical system disturbances occurring on the CAISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems or on other delivery systems or other generating systems to which the CAISO Controlled Grid is directly connected.

TP Deliverability shall mean the capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

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

Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an Energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty shall mean the penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Article 2. Effective Date, Term and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by all Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. The CAISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

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

2.3 Termination Procedures.

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

2.3.2 Default. A Party may terminate this LGIA in accordance with Article 17.

2.3.3 Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16, if applicable.

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

2.4 Termination Costs. Immediately upon the other Parties' receipt of a notice of the termination of this LGIA pursuant to Article 2.3 above, the CAISO and the Participating TO will determine the total cost responsibility of the Interconnection Customer. If, as of the date of the other Parties'

receipt of the notice of termination, the Interconnection Customer has not already paid its share of Network Upgrade costs, as set forth in Appendix G to this LGIA, the Participating TO will liquidate the Interconnection Customer's GIA Deposit associated with its cost responsibility for Network Upgrades, in accordance with Section 3.8 of the GIDAP.

The Interconnection Customer will also be responsible for all costs incurred or irrevocably committed to be incurred in association with the construction of the Participating TO's Interconnection Facilities (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other such expenses, including any Distribution Upgrades for which the Participating TO or CAISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already reimbursed the Participating TO and the CAISO for costs incurred to construct the Participating TO's Interconnection Facilities, the Participating TO will liquidate the Interconnection Customer's GIA Deposit associated with the construction of the Participating TO's Interconnection Facilities, in accordance with Section 3.8 of the GIDAP. If the amount of the GIA Deposit liquidated by the Participating TO under this Article 2.4 is insufficient to compensate the CAISO and the Participating TO for actual costs associated with the construction of the Participating TO's Interconnection Facilities contemplated in this Article, any additional amounts will be the responsibility of the Interconnection Customer, subject to the provisions of Section 3.8 of the GIDAP. Any such additional amounts due from the Interconnection Customer beyond the amounts covered by its GIA Deposit will be due to the Participating TO immediately upon termination of this LGIA in accordance with Section 3.8 of the GIDAP.

If the amount of the GIA Deposit exceeds the Interconnection Customer's cost responsibility under Section 3.8 of the GIDAP, any excess amount will be released to the Interconnection Customer in accordance with Section 3.8 of the GIDAP.

2.4.1 Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.

2.4.2 The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or

other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings and CAISO Tariff Compliance

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

3.2 Agreement Subject to CAISO Tariff. The Interconnection Customer will comply with all applicable provisions of the CAISO Tariff, including the GIDAP.

3.3 Relationship Between this LGIA and the CAISO Tariff. With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the CAISO Tariff and dictates rights and obligations between the CAISO and the Participating TO or the CAISO and the Interconnection Customer, the CAISO Tariff shall govern.

3.4 Relationship Between this LGIA and the Net Scheduled PGA. With regard to the rights and obligations of a Net Scheduled Generating Unit that has entered into a Net Scheduled PGA with the CAISO and has entered into this LGIA, if and to the extent a matter is specifically addressed by a provision of the Net Scheduled PGA that is inconsistent with this LGIA, the terms of the Net Scheduled PGA shall govern.

Article 4. Scope of Service

4.1 Interconnection Service. Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Participating TO's Transmission System and be eligible to deliver the Large Generating Facility's output using the available capacity of the CAISO Controlled Grid. To the extent the Interconnection Customer wants to receive Interconnection Service, the Participating TO shall construct facilities identified in Appendices A and C that the Participating TO is responsible to construct.

Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the CAISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on the CAISO Controlled Grid, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the CAISO Tariff

in the same manner as all other resources. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

4.2 Provision of Service. The Participating TO and the CAISO shall provide Interconnection Service for the Large Generating Facility.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the CAISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

4.4 No Transmission Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission service under the CAISO Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

4.6 TP Deliverability. To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the GIDAP, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the GIDAP. In the event that the Interconnection does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this LGIA as Energy Only Deliverability Status.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the CAISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.

5.1 Options. Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option, Alternate Option, or, if eligible, Merchant Option, set forth below. Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, the Interconnection Customer shall indicate whether it elects the Option to Build set forth in Article 5.1.3 below. If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, they shall so notify the Interconnection Customer within thirty (30) calendar days. Upon receipt of the notification that the Interconnection Customer's designated dates are not acceptable to the CAISO and Participating TO, the Interconnection Customer shall notify the CAISO and Participating TO within thirty (30) calendar days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

5.1.1 Standard Option. The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution

Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Participating TO reasonably expects that it will not be able to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the specified dates, the Participating TO shall promptly provide written notice to the Interconnection Customer and the CAISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by the Interconnection Customer are acceptable to the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities by the designated dates.

If the Participating TO subsequently fails to complete the Participating TO's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; the Participating TO shall pay the Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by the Interconnection Customer shall be extended day for day for each day that the CAISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. Individual or Multiple Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all the Participating TO's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to the CAISO and Participating TO an agreement regarding responsibilities and payment for the construction of Participating TO's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The Participating TO, CAISO, and the Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, the Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, the Parties shall in good faith attempt to negotiate terms and conditions, including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3. If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), the Participating TO shall assume responsibility for the design, procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

5.1.5 Merchant Option. In addition to any Option to Build set forth in Article 5.1.3 of this LGIA, an Interconnection Customer having an Option (B) Generating Facility may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such LDNU and ADNU will be constructed and incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11

5.2 General Conditions Applicable to Option to Build. If the Interconnection Customer assumes responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, or assumes responsibility for any stand-alone task, such as telecommunications, environmental, or real-estate related work:

(1) within six (6) months of the execution of this LGIA, or at a later date agreed to by the Parties, the Interconnection Customer will submit to the CAISO and the Participating TO a milestone schedule for the design, procurement, and construction of the Stand Alone Network Upgrades, or any stand-alone task assumed by the Interconnection Customer. The milestone schedule will be required to support the Interconnection Customer's Commercial Operation Date, and any Appendix B Milestones will be amended to include the milestone schedule for the Stand Alone Network Upgrades;

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

(3) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which the Participating TO would be subject in the engineering, procurement or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(4) the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the CAISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(5) prior to commencement of construction, the Interconnection Customer shall provide to the Participating TO, with a copy to the CAISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from the Participating TO;

(6) at any time during construction, the Participating TO shall have the right to gain unrestricted access to the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(8) the Interconnection Customer shall indemnify the CAISO and Participating TO for claims arising from the Interconnection Customer's construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(9) The Interconnection Customer shall transfer control of the Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the CAISO;

(10) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;

(11) the Participating TO shall accept for operation and maintenance the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(12) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by the Participating TO to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by the Participating TO.

(13) If the Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, the Interconnection Customer shall pay the Participating TO the agreed upon amount of \$ _____ for Participating TO to execute the responsibilities enumerated to it under Article 5.2. The Participating TO will invoice the Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Participating TO pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Participating TO to the Interconnection Customer in the event that the Participating TO does not complete any portion of the Participating TO's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades for which the Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Participating TO to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and

impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the CAISO and/or Participating TO, action or inaction by the CAISO, or any cause beyond the Participating TO's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

In no event shall the CAISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Electric Reliability Organization, and the provisions of Section 4.6.5.1 of the CAISO Tariff. The CAISO reserves the right to establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible. The CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this Article 5.4 shall apply to Asynchronous Generating Facilities in accordance with Appendix H.

5.5 Equipment Procurement. If responsibility for construction of the Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the Participating TO, then the Participating TO shall commence design of the Participating TO's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The CAISO, in coordination with the applicable Participating TO(s), has completed the Interconnection Facilities Study pursuant to the applicable Generator Interconnection Study Process Agreement or other applicable study process agreement;

5.5.2 The Participating TO has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 The Interconnection Customer has provided security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. The Participating TO shall commence construction of the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Participating TO's Interconnection Facilities and Network Upgrades;
- 5.6.3 The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4 The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and CAISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and CAISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.
- 5.10.1 Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** In addition to the Interconnection Customer's responsibility to submit technical data with its Interconnection Request as required by Section 3.5.1 of the GIDAP, the Interconnection Customer shall submit all remaining necessary specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. The Participating TO and the CAISO shall review such specifications pursuant to this LGIA and the GIDAP to ensure that the Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the CAISO and comment

on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.

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

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

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required

or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Participating TO and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorization that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. The Interconnection Customer may request the Participating TO to construct, and the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. The Interconnection Customer may request to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the Interconnection Facilities Study as common to multiple generating facilities. Interconnection Customers seeking to suspend construction will provide the CAISO and Participating TO a request for assessment pursuant to Section 6.7.2 of the GIDAP, a modification assessment deposit, and an anticipated end date of the suspension. Interconnection Customers may request a suspension for the maximum amount of time in lieu of providing an anticipated end date. The CAISO and Participating TO will approve suspension requests where:

- (a) the Participating TO's electrical system and the CAISO Controlled Grid can be left in a safe and reliable condition in accordance with Good Utility Practice, the Participating TO's safety and reliability criteria, and Applicable Reliability Standards; and
- (b) the CAISO and Participating TO determine the suspension will not result in a Material Modification.

During suspension, the Interconnection Customer may request to extend or shorten their suspension period, consistent with the maximum period provided in this Article. The CAISO and Participating TO will approve such requests where they meet criteria (a) and (b), above. Requests to extend or shorten extensions will require a new modification assessment request and deposit. The Interconnection Customer shall be responsible for all reasonable and necessary costs for suspension for which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- (i) generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request;
- (ii) generating facilities which are the subject of Interconnection Requests within the Interconnection Customer's queue cluster; and
- (iii) generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's Interconnection Facilities Study Report is issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this Article.

The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA in time to ensure that the new projected Commercial Operation Date for the full Generating Facility Capacity of the Large Generating Facility is no more than three (3) years from the Commercial Operation Date identified in Appendix B hereto, this LGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this LGIA. The suspension period shall begin on the date the Interconnection Customer provides in its request, if approved. Ninety (90) days before the anticipated end date of the suspension, the Participating TO and the CAISO will tender an amended draft LGIA with new construction milestones. The Parties agree to negotiate the amended draft LGIA in good faith such that it can be executed by the end of the suspension.

Interconnection Customer subject to Section 8.9.2.2 of Appendix DD may not request suspension.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by the Interconnection Customer to the Participating TO for the installation of the Participating TO's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as a refundable advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS

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

At the Participating TO's request, the Interconnection Customer shall provide the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. The Participating TO represents and covenants that the cost of the Participating TO's Interconnection Facilities paid for by the Interconnection Customer without the possibility of refund or credit will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequence of Current Tax Liability Imposed Upon the Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless the Participating TO from the cost consequences of any current tax liability imposed against the Participating TO as the result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by the Participating TO. The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation; provided, however, that the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

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

5.17.4 Tax Gross-Up Amount. The Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that the Interconnection Customer will pay the Participating TO, in addition to the amount

paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on the Participating TO ("Current Taxes") on the excess of (a) the gross income realized by the Participating TO as a result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Participating TO to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

5.17.5 Private Letter Ruling or Change or Clarification of Law. At the Interconnection Customer's request and expense, the Participating TO shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by the Interconnection Customer to the Participating TO under this LGIA are subject to federal income taxation. The Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of the Interconnection Customer's knowledge. The Participating TO and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.

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

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

5.17.7 Contests. In the event any Governmental Authority determines that the Participating TO's receipt of payments or property constitutes income that is subject to taxation, the Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. The Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

The Interconnection Customer shall pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.

At any time during the contest, the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding paragraph. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

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

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon.

(ii) interest on any amounts paid by the Interconnection Customer to the Participating TO for such taxes which the Participating TO did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by the Interconnection Customer to the date the Participating TO refunds such payment to the Interconnection Customer, and

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

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

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

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Parties' tax status. Nothing in this LGIA is intended to adversely affect the CAISO's or any Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. The Interconnection Customer or the Participating TO may undertake

modifications to its facilities, subject to Section 25.1(c) and Section 25 of the CAISO Tariff if the Interconnection Customer has achieved its Commercial Operation Date, and subject to Section 6.7.2 of Appendix KK if it has not.

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

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

5.19.3 Modification Costs. The Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that the Participating TO makes to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under the CAISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5.20 Annual Reassessment Process. In accordance with Section 7 of the GIDAP, the CAISO will perform an annual reassessment, as part of a queue cluster interconnection study cycle, in which it will update certain base case data. As set forth in Section 7, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent TPP cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades set forth in Appendix A to this LGIA, such modification(s) will be reflected through an amendment to this LGIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Participating TO shall test the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test

energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Each Party shall notify the other Parties at least fourteen (14) Calendar Days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with any Applicable Reliability Standards and the Electric Reliability Organization requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 of the CAISO Tariff. Unless otherwise agreed by the Participating TO and the Interconnection Customer, the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of any Electric Generating Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at the CAISO's or Participating TO's option for its respective Metering Equipment, compensated to, the Point of Interconnection. The CAISO shall provide metering quantities to the Interconnection Customer upon request in accordance with the CAISO Tariff by directly polling the CAISO's meter data acquisition system. The Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the CAISO-pollled meters or the Participating TO's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except in the case that no other means are available on a temporary basis at the option of the CAISO or the Participating TO. The check meters shall be subject at all reasonable times to inspection and examination by the CAISO or Participating TO or their designees. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.

7.3 Participating TO Retail Metering. The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.

Article 8. Communications

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

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the CAISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.

Telemetry to the CAISO shall be provided in accordance with the CAISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.

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

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

8.4 Provision of Data from a Variable Energy Resource. The Interconnection Customer whose Generating Facility contains at least one Variable Energy Resource shall provide meteorological and forced outage data to the CAISO to the extent necessary for the CAISO's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the CAISO with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the CAISO with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The CAISO and Interconnection Customer whose Generating Facility contains a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility contains a Variable Energy Resource also shall submit data to the CAISO regarding all forced outages to the extent necessary for the CAISO's development and deployment of power production forecasts for that

class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the CAISO, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the CAISO. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Balancing Authority Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the CAISO and Participating TO in writing of the Balancing Authority Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.
- 9.3 CAISO and Participating TO Obligations.** The CAISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The CAISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and CAISO operating protocols and procedures as they may change from time to time. The Participating TO and CAISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the CAISO Controlled Grid.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria. For all Generating Facilities other than Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all generators in the Balancing Authority Area on a comparable basis.

An Interconnection Customer for an Asynchronous Generating Facility will design the Large Generator Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized an Electric Generating Unit with the CAISO Controlled Grid, the CAISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). CAISO's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the CAISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the CAISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the CAISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the CAISO and the Participating TO.

9.6.2.1 Voltage Regulators. Whenever an Electric Generating Unit is operated in parallel with the CAISO Controlled Grid and voltage regulators are capable of operation, the Interconnection Customer shall operate the Electric Generating Unit with its voltage regulators in automatic operation. If the Electric Generating Unit's voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Electric Generating Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the

reliability of the CAISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the CAISO Controlled Grid or trip any Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Payment for Reactive Power. CAISO is required to pay the Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from an Electric Generating Unit when the CAISO requests the Interconnection Customer to operate its Electric Generating Unit outside the range specified in Article 9.6.1, provided that if the CAISO pays other generators for reactive power service within the specified range, it must also pay the Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the CAISO and Interconnection Customer have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Electric Generating Unit(s) by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Electric Generating Unit's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Electric Generating Unit(s), and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Electric Generating Units' real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Electric Generating Units' real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Electric Generating Unit(s) has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Electric Generating Unit(s) with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) consistent with the provisions specified in articles 9.6.4.1 and 9.6.4.2 of this LGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall,

in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If Interconnection Customer needs to operate the Electric Generating Unit(s) with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Electric Generating Units' governor or equivalent controls to a minimum whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Electric Generating Units' real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Electric Generating Unit(s) has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Electric Generating Unit(s) shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from articles 9.6.4, 9.6.4.1, and 9.6.4.2 of this LGIA. Large Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in article 9.6.4, but shall be otherwise exempt from the operating requirements in articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this LGIA.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of this LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in articles 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this LGIA. Appendix C shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected

incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with article 9.6.4.2 of this LGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission system or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. The CAISO shall post scheduled outages of CAISO Controlled Grid facilities in accordance with the provisions of the CAISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the CAISO in accordance with the CAISO Tariff. The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO. The CAISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance in accordance with the CAISO Tariff. The Interconnection Customer will not be

eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

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

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

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

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the CAISO Controlled Grid, subject to any conditions specified in this LGIA:

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

9.7.2.4 Except during the existence of an Emergency Condition, the CAISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The CAISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the CAISO, and the Participating TO:

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

9.7.3 Ride Through Capability and Performance. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by Applicable Reliability

Standards and the Electric Reliability Organization in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by Applicable Reliability Standards and the Electric Reliability Organization to ensure frequency "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The Interconnection Customer also will implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the CAISO Controlled Grid. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency, over-frequency, under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, Electric Reliability Organization criteria, and Good Utility Practice.

9.7.4.3 The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.

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

Interconnection Customer's Electric Generating Units.

9.7.4.5 The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.

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

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the CAISO Controlled Grid could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Electric Reliability Organization standard. In the event of a conflict among ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or Electric Reliability Organization standard, the alternative Applicable Reliability Standard or Electric Reliability Organization standard shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Parties a copy of its switching and tagging rules that are applicable to the other Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

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

Article 10. Maintenance

10.1 Participating TO Obligations. The Participating TO shall maintain the Participating TO's Transmission System and the Participating TO's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. The Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Parties. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such

third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of the Participating TO's Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.

11.2 Participating TO's Interconnection Facilities. The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, except for Stand Alone Network Upgrades, which will be constructed, and if agreed to by the Parties owned by the Interconnection Customer, and Merchant Network Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Network Upgrades shall be funded by the Interconnection Customer, which for Interconnection Customers processed under Section 6 of the GIDAP (in Queue Clusters) shall be in an amount determined pursuant to the methodology set forth in Section 6.3 of the GIDAP. This specific amount is set forth in Appendix G to this LGIA. For costs associated with Area Delivery Network Upgrades, any amounts set forth in Appendix G will be advisory estimates only, and will not operate to establishing any cap or Maximum Cost Exposure on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades.

11.4 Transmission Credits. No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 11.4.1.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

11.4.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

An Interconnection Customer with a non-Phased Generating Facility shall be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 11.4.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades as set forth in Appendix G, up to a maximum amount established in Section 14.3.2.1 of the RIS. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- (b) For Local Delivery Network Upgrades:

 - i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the RIS, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by the Interconnection Customer for Local Delivery Network Upgrades
 - ii. If the Generating Facility is an Option (B) Generating Facility and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the costs of Local Delivery Network Upgrades.
 - iii. If the Generating Facility is an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.
- (c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network Upgrades.
- (d) If an Interconnection Customer having a Option (B) Generating Facility, and is eligible, to construct and own Network Upgrades pursuant to the Merchant Option set forth in Article 5.15 of this LGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this LGIA.
- (e) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 11.4.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

- (f) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, GIA Deposit, and repayment will be conducted pursuant to Section 14.4.1 of the RIS, and set forth in Appendix G.

11.4.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, as set forth in Appendix G, subject to the limitations specified in Article 11.4.1.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the LGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the LGIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to this LGIA;
- (e) All Parties to the LGIA have confirmed that the completed phase meets the requirements set forth in this LGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in this LGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Financial Security Instruments to the date of commencement of repayment).

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer shall be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this LGIA Article 11.4.1.2. If the LGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 11.4.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then breaches the LGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the Breach against any repayments made for Network Upgrades related to the completed phases.

Any repayment amount provided pursuant to this Article 11.4.1.2 shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable as provided for in this Article 11.4.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

11.4.1.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this LGIA is in effect. The Interconnection Customer may assign such repayment rights to any entity.

11.4.1.4 Failure to Achieve Commercial Operation

If the Large Generating Facility fails to achieve Commercial Operation, but it or another generating facility is later constructed and makes use of the Network Upgrades, the Participating TO shall at that time reimburse Interconnection

Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying and demonstrating to the Participating TO the appropriate entity to which reimbursement must be made in order to implement the intent of this reimbursement obligation.

11.4.2 Special Provisions for Affected Systems. The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the RIS. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System. In the event the Participating TO is a joint owner with an Affected System or with any other co-owner of a facility affected by the Large Generating Facility, the Participating TO's obligation to reimburse the Interconnection Customer for payments made to address the impacts of the Large Generating Facility on the system shall not exceed the proportionate amount of the cost of any upgrades attributable to the proportion of the jointly-owned facility owned by the Participating TO.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, Congestion Revenue Rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements, merchant transmission Congestion Revenue Rights in accordance with Section 36.11 of the CAISO Tariff, or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 **Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer will provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment, as specified in Appendix B of this LGIA, will be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the CAISO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

11.5.1 Notwithstanding any other provision of this Agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide the Interconnection Customer with written notice of any Default due to timely failure to post security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed

terminated.

11.6 Interconnection Customer Compensation. If the CAISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. The CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the CAISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

12.2 Final Invoice. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. With respect to costs associated with the Participating TO's Interconnection Facilities and Distribution Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice. With respect to costs associated with Network Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs, as set forth in Appendix G to this LGIA within thirty (30) Calendar Days of the issuance of such final construction invoice. In the event the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs exceed the Interconnection Customer's actual payment for estimated costs, then the Participating TO shall recover such difference through its transmission service rates.

12.3 Payment. Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices

by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the CAISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the CAISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

Article 13. Emergencies

13.1 [Reserved]

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the CAISO, NERC, the Electric Reliability Organization, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this LGIA.

13.3 Notice. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Participating TO's Interconnection Facilities or Distribution System or the CAISO Controlled Grid, respectively, that may reasonably be expected to affect the Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the CAISO Controlled Grid or the Participating TO's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the CAISO may be publicly posted on the CAISO's internet web site.

13.4 Immediate Action. Unless, in the Interconnection Customer's reasonable judgment, immediate action is required, the Interconnection Customer shall obtain the consent of the CAISO and the Participating TO, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition declared by the Participating TO or CAISO or in response to any other emergency condition.

13.5 CAISO and Participating TO Authority.

13.5.1 General. The CAISO and Participating TO may take whatever actions or inactions, including issuance of dispatch instructions, with regard to the CAISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System they deem necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the CAISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System, (iii) limit or prevent damage, and (iv) expedite restoration of service.

The Participating TO and the CAISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the CAISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the CAISO's Dispatch Instructions and Operating Instructions and Participating TO's dispatch instructions or Operating Instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

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

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

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Laws

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to

obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.

14.2 Governing Law.

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

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

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

Article 15. Notices

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

A Party must update the information in Appendix F as information changes. A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.

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

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

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

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall

exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default.

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party. Upon a Breach, the affected non-Breaching Party(ies) shall give written notice of such Breach to the Breaching Party. Except as provided in Articles 11.5.1 and 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after the notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the affected non-Breaching Party(ies) shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

17.2 Violation of Operating Assumptions for Generating Facilities. If the CAISO and Participating TO require the Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix I of this LGIA, the CAISO may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix I of this LGIA at the direction of the CAISO, the CAISO will not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages, and Insurance

18.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all Losses arising out of or resulting from another Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

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

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

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

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

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

18.2 Consequential Damages. Other than the liquidated damages heretofore described in Article 5.3, in no event shall any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the periods noted in this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Best's Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of any insurance required to be carried by the CAISO, the State of California:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Participating TO and the Interconnection Customer shall maintain such coverage from the commencement of any Construction Activities providing statutory benefits for Workers Compensation coverage and coverage amounts of no less than One Million Dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and One Million Dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Participating TO shall provide the Interconnection

Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Participating TO and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this LGIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Participating TO and the Interconnection Customer that would be imposed without the LGIA, or (ii) liability assumed by the Participating TO and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Section 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Participating TO and the CAISO as an additional insured only with respect to the LGIA, together with the Interconnection Customer's written representation to the Participating TO and the CAISO that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate Insurance with evidence of such insurance carried by the Interconnection Customer, naming the Participating TO and CAISO as additional insured only with respect to the LGIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any such vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage. The Interconnection Customer shall include the Participating TO and the CAISO as additional insured with respect to the LGIA on any such policies.

18.3.4 Excess Liability Insurance. Commencing at the time of entry of any person on its behalf upon any construction site for the Network Upgrades, Interconnection Facilities, or Generating Facility, the Participating TO and the Interconnection Customer shall maintain Excess Liability insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate. Such insurance carried by the Participating TO shall include the Interconnection Customer and CAISO as additional insured with respect to the LGIA, and such insurance carried by the Interconnection Customer shall include the Participating TO and CAISO as an additional insured with respect to the LGIA. The requirements of Section 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

18.3.5 The Commercial General Liability Insurance, Business Automobile Insurance and

Excess Liability Insurance policies shall include the other Parties identified in the sections above, their parents, their subsidiaries, respective directors, officers, agents, servants and employees ("Other Party Group") and the CAISO as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.

18.3.6 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.

18.3.7 The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.

18.3.8 [Not Used.]

18.3.9 Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, the Participating TO and the Interconnection Customer shall provide a certificate of insurance for all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, each Party may self-insure

a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program that is a qualified self insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and

b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9.

c) in the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage greater than \$25,000, including within the scope of coverage of such

insurance whether or not such coverage is sought.

Article 19. Assignment

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

The Interconnection Customer may assign Surplus Interconnection Service pursuant to Section 3.4 of the RIS. The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend this GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA. The assignee must execute a separate GIA with the CAISO and Participating TO to memorialize its Interconnection Service.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Participating TO or CAISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

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

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party

may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

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

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

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

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

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

22.1.11 Subject to the exception in Article 22.1.10, Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality

shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

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

Article 24. Information Requirements

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

24.2 **Information Submission by Participating TO.** The initial information submission by the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Participating TO and the Interconnection Customer. On a monthly basis the Participating TO shall provide the Interconnection Customer and the CAISO a status report on the construction and installation of the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

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

If the Interconnection Customer's data is materially different from what was originally provided to the Participating TO and the CAISO for the Interconnection Studies, then the Participating TO and the CAISO will conduct appropriate studies pursuant to the RIS to determine the impact on the Participating TO's Transmission System and affected portions of the CAISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.

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

Unless otherwise agreed, the test conditions shall include: (1) Electric Generating Unit at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in Electric Generating Unit terminal voltage initiated by a change in the voltage regulators reference voltage. The Interconnection Customer shall provide validated test recordings showing the responses of Electric Generating Unit terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Electric Generating Unit’s terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Electric Generating Unit terminal or field voltages is provided. Electric Generating Unit testing shall be conducted and results provided to the Participating TO and the CAISO for each individual Electric Generating Unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide the Participating TO and the CAISO any information changes due to equipment replacement, repair, or adjustment. The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Participating TO-owned substation that may affect the Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information pursuant to Article 5.19.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the CAISO to make available to a Party any third party information in its possession or control if making such third party information available would violate a CAISO Tariff restriction on the use or disclosure of such third party information.

25.2 Reporting of Non-Force Majeure Events. Each Party (the “notifying Party”) shall notify the other Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, the Parties’ audit rights shall include audits of a Party’s costs pertaining to such Party’s performance or satisfaction of obligations owed to the other Party under this LGIA, calculation of invoiced amounts, the CAISO’s efforts to allocate responsibility for the provision of reactive support to the CAISO Controlled Grid, the CAISO’s efforts to allocate responsibility for interruption or reduction of generation on the CAISO Controlled Grid, and each such Party’s actions in an Emergency Condition.

25.3.1 The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party's performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.3.2 Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following the Participating TO's issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the CAISO for a period of twenty-four months following the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.5 Audit Results. If an audit by the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which supports such determination. The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.

25.5.1 Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff, and the CAISO's process for remedying an overpayment or underpayment shall be as set forth in the CAISO Tariff.

Article 26. Subcontractors

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

the other Party for the performance of such subcontractor.

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

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

Article 27. Disputes

All disputes arising out of or in connection with this LGIA whereby relief is sought by or from the CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as references to this LGIA. Disputes arising out of or in connection with this LGIA not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the

arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

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

Article 28. Representations, Warranties and Covenants

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

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

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

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

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

Article 29. [Reserved]

Article 30. Miscellaneous

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

30.2 **Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 **Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa;

(2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the RIS or such Appendix to the RIS, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

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

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

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

30.11 Reservation of Rights. The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the CAISO below.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

3.2, 4.5, 11.6, 25.3.2, 25.5.1, and 27 preamble.

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among 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.

30.13 Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the CAISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.

IN WITNESS WHEREOF, the Parties have executed this LGIA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Participating TO]

By: _____

Name: _____

Title: _____

Date: _____

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Appendices to LGIA

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Appendix H Interconnection Requirements for an Asynchronous Generating Facility

Appendix I Operating Assumptions for Generating Facility

Appendix A

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

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

(b) [insert Participating TO's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

(i) [insert Participating TO's Reliability Network Upgrades]

(ii) [insert Participating TO's Delivery Network Upgrades]

3. Distribution Upgrades:

Appendix B

Milestones

Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date one hundred eighty (180) days from the effective date of this LGIA} or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK to the CAISO Tariff (Withdrawal Penalties).]

Appendix C

Interconnection Details

Appendix D

Security Arrangements Details

Infrastructure security of CAISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day CAISO Controlled Grid reliability and operational security. FERC will expect the CAISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the CAISO Controlled Grid to comply with Applicable Reliability Criteria. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

The Interconnection Customer shall meet the requirements for security implemented pursuant to the CAISO Tariff, including the CAISO's standards for information security posted on the CAISO's internet web site at the following internet address: <http://www.caiso.com/pubinfo/info-security/index.html>.

Appendix E

[This Appendix E sets forth a form of letter to be provided by the Interconnection Customer to the CAISO and Participating TO to provide formal notice of the Commercial Operation of an Electric Generating Unit.]

[Date]

[CAISO Address]

[Participating TO Address]

Re: _____ Electric Generating Unit

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. _____ at the Electric Generating Unit, effective as of [Date plus one day] and that [Interconnection Customer] provided the CAISO's operations personnel advance notice of its intended Commercial Operation Date no less than five Business Days prior to that date.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F

Addresses for Delivery of Notices and Billings

Notices:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Billings and Payments:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Appendix G

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

Appendix H

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Except as provided in Section 25.4.2 of the CAISO tariff, existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Voltage Ride-Through Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate

of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used during transient high voltage conditions over 1.20 per unit or more must be one second or less.

4. The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.
5. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
6. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
7. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
8. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.
9. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
10. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
11. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capability

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the NERC Reliability Standard for Generator Frequency and Voltage Protective Relay Settings, or successor requirements as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this LGIA in order to maintain a specified voltage schedule, if the Cluster Study or Interconnection Facilities Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Cluster Study or Interconnection Facilities Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

vi. Transient Data Recording Equipment for Facilities above 20 MW

Asynchronous Generating Facilities with generating capacities of more than 20 MW must monitor and record data for all frequency ride-through events, transient low voltage disturbances that initiated reactive current injection, reactive current injection or momentary cessation for transient high voltage disturbances, and inverter trips. The data may be recorded and stored in a central plant control system. The following data must be recorded:

Plant Level:

- (1) Plant three phase voltage and current
- (2) Status of ancillary reactive devices
- (3) Status of all plant circuit breakers
- (4) Status of plant controller
- (5) Plant control set points
- (6) Position of main plant transformer no-load taps
- (7) Position of main plant transformer tap changer (if extant)
- (8) Protective relay trips or relay target data

Inverter Level:

- (1) Frequency, current, and voltage during frequency ride-through events
- (2) Voltage and current during momentary cessation for transient high voltage

- events (when used)
- (3) Voltage and current during reactive current injection for transient low or high voltage events
 - (4) Inverter alarm and fault codes
 - (5) DC current
 - (6) DC voltage

The data must be time synchronized, using a GPS clock or similar device, to a one millisecond level of resolution. All data except phase angle measuring unit data must be sampled at least every 10 milliseconds. Data recording must be triggered upon detecting a frequency ride-through event, a transient low voltage disturbance that initiated reactive current injection, momentary cessation or reactive current injection for a transient high voltage disturbance, or an inverter trip. Each recording will include as a minimum 150 milliseconds of data prior to the triggering event, and 1000 milliseconds of data after the event trigger. The Asynchronous Generating Facility must store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all data within 10 calendar days of a request from the CAISO or the Participating TO.

The Asynchronous Generating Facility must install and maintain a phase angle measuring unit or functional equivalent at the entrance to the facility or at the Generating Facility's main substation transformer. The phase angle measuring unit must have a resolution of at least 30 samples per second. The Asynchronous Generating Facility will store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all phase angle measuring unit data within 10 calendar days of a request from the CAISO or the Participating TO.

Appendix I to LGIA

Operating Assumptions for Generating Facility

Check box if applicable []

Operating Assumptions:

{insert operating assumptions that reflect the charging behavior of the Generating Facility that includes at least one electric storage resource}

Appendix MM

Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Resource Interconnection Standards (Appendix KK to the CAISO Tariff)

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by _____ ("Participating TO"), the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO") and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Participating TO Information

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

CAISO Information

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: _____ Fax: _____

E-mail: _____@caiso.com

Interconnection Customer Information

Interconnection Customer: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Interconnection Customer Queue Position No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the Resource Interconnection Standards (RIS) set forth in Appendix KK except for those submitted under the 10 kW Inverter Process contained in RIS Appendix 7. For those Interconnection Requests, RIS Appendix 7 contains the terms and conditions which serve as the Interconnection Agreement.

1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Participating TO's Transmission System.

1.3 No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the CAISO Tariff. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between or among the Parties.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (CAISO Tariff Appendix CC) to interpret the responsibilities of the Parties under this Agreement.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The CAISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's

Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Change of Ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the CAISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Participating TO and the CAISO shall coordinate with Affected Systems to support the interconnection.

1.5.7 The Interconnection Customer shall ensure "frequency ride-through" capability and "voltage ride-through" capability of its Small Generating Facility. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response.

Frequency Conditions. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards and the Electric Reliability Organization in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Small Generating Facility as required by Applicable Reliability Standards and the Electric Reliability Organization to ensure "ride-through" capability. Small Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The term "ride-through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice. Asynchronous Generating Facilities are subject to the frequency ride-through requirements set forth in Attachment 7.

Voltage Conditions. The Interconnection Customer shall ensure "voltage ride-through" capability of its Small Generating Facility. The Interconnection Customer shall enable

these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the CAISO and any Affected Systems for an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. Asynchronous Generating Facilities are subject to the voltage ride-through requirements set forth in Attachment 7.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the CAISO Balancing Authority Area, including, but not limited to: 1) the rules and procedures concerning the operation of generation set forth in the CAISO Tariff for the CAISO Controlled Grid and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 For synchronous Generating Facilities, the Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of each generating unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all similarly situated generators in the CAISO Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to Asynchronous Generating Facilities and the requirements of Attachment 7 shall apply instead.

For an Asynchronous Generating Facility, the Interconnection Customer will design the Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

1.8.2 Payment to the Interconnection Customer for reactive power that the Small Generating Facility provides or absorbs when the CAISO requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1 will be made by the CAISO in accordance with the applicable provisions of the CAISO Tariff.

1.8.3 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning

governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.3.1 and 1.8.3.2 of this SGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall, in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility’s governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility’s real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall

begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from Sections 1.8.3, 1.8.3.1, and 1.8.3.2 of this SGIA. Small Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.3, but shall be otherwise exempt from the operating requirements in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this SGIA.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of this SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this SGIA. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.3.2 of this SGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection

Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

1.10 TP Deliverability

To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the RIS, the Interconnection Customer's right to retain such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the RIS.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Participating TO and the CAISO of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Participating TO and the CAISO may, at their own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Participating TO and the CAISO a written test report when such testing and inspection is completed.

2.1.2 The Participating TO and the CAISO shall provide the Interconnection Customer written acknowledgment that they have received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Participating TO or the CAISO of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Participating TO and the CAISO shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Participating TO and the CAISO shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Participating TO and the CAISO shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Participating TO's Transmission System without prior written authorization of the Participating TO. The Participating TO will provide such authorization to the Interconnection Customer and the CAISO once the Participating TO receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access to Premises

2.3.1 Upon reasonable notice, the Participating TO and the CAISO may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Participating TO and the CAISO at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Participating TO and the CAISO shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Participating TO and the CAISO shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of _____ years from the Effective Date (term specified in individual agreements to be ten (10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Participating TO and the CAISO twenty (20) Business Days written notice.

3.3.2 Any Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the CAISO Controlled Grid. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and

obligations, owed or continuing at the time of termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection of the Small Generating Facility or associated Interconnection Facilities shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO’s Transmission System, the Participating TO’s Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO’s electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. Under Emergency Conditions, the CAISO or the Participating TO may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer’s operation of the Small Generating Facility or the Interconnection Customer’s Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the CAISO Controlled Grid, the Participating TO’s Interconnection Facilities, or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer’s or Participating TO’s facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Participating TO or the CAISO may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the CAISO Controlled Grid when necessary for routine maintenance, construction, and repairs on the CAISO Controlled Grid or the Participating TO’s electric system. The Party scheduling the interruption shall provide the Interconnection Customer with (5) five Business Days notice prior to such interruption. The Party scheduling the interruption shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the

Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO.

3.4.3 Forced Outages

During any forced outage, the Participating TO or the CAISO may suspend interconnection service to effect immediate repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Participating TO or the CAISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Participating TO or the CAISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection. The Interconnection Customer shall notify CAISO, as soon as practicable, of all forced outages or reductions of the Small Generating Facility in accordance with the CAISO Tariff.

3.4.4 Adverse Operating Effects

The Participating TO or the CAISO shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the CAISO Controlled Grid, the Participating TO's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Participating TO or the CAISO may disconnect the Small Generating Facility. The Participating TO or the CAISO shall provide the Interconnection Customer with (5) five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility before it has achieved its Commercial Operation Date, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2 of Appendix KK, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer has achieved its Commercial Operation Date, the CAISO and Participating TO(s) will review the requested modification pursuant to Sections 25 and 25.1(c) of the CAISO Tariff. If the Interconnection Customer makes modifications without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, the Participating TO's electric system, and the CAISO Controlled Grid to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Costs for Interconnection Facilities, and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Participating TO shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the CAISO, and the Participating TO.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Participating TO's Interconnection Facilities.

4.2 Distribution Upgrades

The Participating TO shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility For Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Participating TO shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement, except for Merchant Network Upgrades. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer. For costs associated with Area Delivery Network Upgrades and Area Off-Peak Network Upgrades, any cost estimates will be advisory in nature and will not be considered as definitive or as establishing a cap on the Maximum Cost Exposure of the Interconnection Customer.

5.2.1 Merchant Network Upgrades

If the Interconnection Customer is an Option (B) Interconnection Customer, the Interconnection Customer may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU that the Interconnection Customer has the obligation to fund and that are not subject to reimbursement. Such LDNU and ADNU will be constructed and incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11.

5.3 Transmission Credits

No later than thirty (30) calendar days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 5.3.1, and/or (b) decline all or a part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 5.3.1.

5.3.1 Repayment of Amounts Advanced for Network Upgrades

5.3.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

An Interconnection Customer with a non-Phased Generating Facility will be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Small Generating Facility, commencing upon the Commercial Operation Date of the Small Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Small Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 5.3.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

(a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades up to a maximum amount established in Section 14.3.2.1 of the RIS. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of the Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

(b) For Local Delivery Network Upgrades:

i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the RIS, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the cost of Local Delivery Network Upgrades for which it is responsible. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by

the Interconnection Customer for Local Delivery Network Upgrades.

ii. If the Interconnection Customer is an Option (B) Interconnection Customer and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the cost of Local Delivery Network Upgrades.

iii. If the Interconnection Customer is an Option (A) Interconnection Customer, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.

(c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network Upgrades.

(d) If an Option (B) Interconnection Customer elects and is eligible to construct and own Merchant Network Upgrades as set forth in Article 5.2.1 of this SGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this SGIA.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 5.3.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

(e) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, Commercial Readiness Deposit, GIA Deposit, and repayment will be conducted pursuant to Section 14.4.1 of the RIS, and set forth in this SGIA.

(f) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.

5.3.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the amount paid to the Participating TO for the cost of Network Upgrades for that

completed phase for which the Interconnection Customer is responsible, subject to the limitations specified in Article 5.3.1.1, if the following conditions are satisfied as described below:

- (a) The Small Generating Facility is capable of being constructed in phases;
- (b) The Small Generating Facility is specified in the SGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the SGIA;
- (d) The Interconnection Customer has tendered notice pursuant to the SGIA that the phase has achieved Commercial Operation;
- (e) All parties to the SGIA have agreed that the completed phase meets the requirements set forth in the SGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the SGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the security required for the Network Upgrades for all the phases of the Small Generating Facility.

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer in a Queue Cluster, or an Interconnection Customer in the Fast Track Process will be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Small Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

If the SGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 5.3.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the SGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases, provided that the Party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Article 5.3.1.2 shall include any

tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 5.3.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.3 Interest Payments and Assignment Rights

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this Agreement is in effect. The Interconnection Customer may assign such repayment rights to any person.

5.3.1.4 Failure to Achieve Commercial Operation

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

5.3.2 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the RIS. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.

5.3.3 Rights Under Other Agreements

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

5.3.4 Compensation for Customer-Funded Upgrades Utilized by Subsequent Interconnection Customers.

If the Interconnection Customer funds Network Upgrades for which it is not eligible for repayment, the Interconnection Customer will be entitled to direct compensation by any Interconnection Customers in later Queue Clusters that utilize such Network Upgrades. Such compensation will be determined based on the distribution flow factors of the Generating Facilities that will be using the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Participating TO shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

6.1.2 Within six (6) months of completing the construction and installation of the Participating TO's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Participating TO shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Participating TO for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Participating TO shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Participating TO within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Participating TO shall refund to the Interconnection Customer an amount equal to the difference within thirty (30) calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, as defined in Article 7.5.1, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Parties affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) they will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) they have reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Arrangements for Small Generating Facilities Processed Under the Fast Track Process

The terms and conditions of this Article 6.3 shall apply only to Small Generating Facilities that are no larger than 5 MW that are processed under the Fast Track Process.

In such case, the terms of Article 6.4 below do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.3 applies:

[] THIS ARTICLE 6.3 APPLIES

6.3.1 At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Participating TO's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO under this Agreement during its term. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Attachment 4 of this SGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.

6.3.2 If a guarantee is provided, the guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.3 If a letter of credit or surety bond is provided, the letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

6.4 Arrangements for All Other Small Generating Facilities

The terms of this Article 6.4 apply to Small Generating Facilities that have been processed under the Cluster Study Process. In such case, the provisions of Article 6.3 do not apply to this Agreement.

In such case, the terms of Article 6.3 above do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.4 applies:

[] THIS ARTICLE 6.4 APPLIES

6.4.1 The Interconnection Customer is obligated to provide the necessary GIA Deposit required under Section 13.3 of the RIS in a manner acceptable under Section 11 of the RIS. Failure by the Interconnection Customer to timely satisfy the RIS's requirements for the provision of GIA Deposit shall be deemed a breach of this Agreement and a condition of Default of this Agreement.

Article 7. Assignment, Liability, Indemnity, Force Majeure, and Default

7.1 Assignment

This Agreement may be assigned by any Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Parties; provided that:

7.1.1 Any Party may assign this Agreement without the consent of the other Parties 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, provided that the Interconnection Customer promptly notifies the Participating TO and the CAISO of any such assignment:

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Participating TO or the CAISO, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Participating TO and the CAISO of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

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

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

7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of another Party. Upon a Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2 and in Article 6.4.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Participating TO or CAISO, except that the Interconnection Customer shall show proof of insurance to the Participating TO and CAISO no later than ten Business Days prior to the anticipated Commercial Operation Date. If the Interconnection Customer is of sufficient credit-worthiness, it may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Participating TO agrees to maintain general liability insurance or self-insurance consistent with the Participating TO's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Participating TO's liabilities undertaken pursuant to this Agreement.
- 8.3 The CAISO agrees to maintain general liability insurance or self-insurance consistent with the CAISO's commercial practice. Such insurance shall not exclude coverage for the CAISO's liabilities undertaken pursuant to this Agreement.
- 8.4 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for

information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

All disputes arising out of or in connection with this Agreement whereby relief is sought by or from CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as reference to this Agreement. Disputes arising out of or in connection with this Agreement not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is

located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by all of the Parties, or under Article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall

negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with Applicable Reliability Criteria. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

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

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

Introductory Paragraph, 1.1, 1.2, 1.3, 1.4, 1.5.1, 1.5.2, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.6, 1.7, 1.8.1, 1.9, 2.1, 2.2.1, 2.3, 3, 4.1.1 (last sentence only), 5.1, 5.3, 6.2, 7, 8, 9, 11, 12, 13, Attachment 1, Attachment 4, Attachment 5, and Attachment 7.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

2.2.2, 4.1.1 (all but the last sentence), 4.1.2, 4.2, 5.2, 6.1.1 (all but the last sentence), 6.1.2, 10 (all but preamble), Attachment 2, Attachment 3 and Attachment 6.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

1.8.2, 6.1.1 (last sentence only) and 10 (preamble only).

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by 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, except to the extent that the Parties otherwise mutually agree as provided herein.

12.13 Annual Reassessment Process

In accordance with Section 7 of the RIS, the CAISO will perform an annual reassessment in which it will update certain base case data prior to beginning the Interconnection Facilities Study. As set forth in Section 7 of the RIS, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed Generator Interconnection Agreements should be modified in order to reflect the current circumstances of Interconnection Customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent Transmission Planning Process cycle. To the extent that this determination modifies the scope or characteristics of, or the financial responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades determined pursuant to this SGIA, such modification(s) will be reflected through an amendment to this SGIA.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by any Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

E-mail address: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Participating TO's Operating Representative:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

CAISO's Operating Representative

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

13.5 Changes to the Notice Information

Any Party may change this information by giving five Business Days written notice to the other Parties prior to the effective date of the change.

Article 14. Signatures

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

For the California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

For the Participating TO

By: _____

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System - An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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

Area Deliverability Constraint - A previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrade (ADNU) - A transmission upgrade or addition identified by the CAISO to relieve an Area Deliverability Constraint.

Area Off-Peak Constraints - A transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) - A transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) - Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

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

Business Day - Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid - The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff - The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Cluster Application Window - The time period for submitting Interconnection Requests as set forth in Section 3.3 of Appendix KK.

Cluster Study Process - The following processes, conducted in sequence: the Cluster Application Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Commercial Operation Date - The date on which a Small Generating Facility commenced generating

electricity for sale as agreed upon by the Participating TO and the Interconnection Customer and in accordance with any implementation plan agreed to by the Participating TO and the CAISO for multiple individual generating units or project phases at a Small Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those generating units or project phases.

Commercial Readiness Deposit - A deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) - Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

Current Cost Responsibility (CCR) - The Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's, Commercial Readiness Deposit, and GIA Deposit requirements, as applicable.

Customer Engagement Window - The time period set forth in Section 3.5.2 of the RIS.

Default - The failure of a breaching Party to cure its breach under this Agreement.

Distribution System - Those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades - The additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

General Reliability Network Upgrade (GRNU) - Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) - The CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that is included in CAISO Tariff Appendix DD.

GIA Deposit - The deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

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

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

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

Interconnection Handbook - A handbook, developed by the Participating TO and posted on the Participating TO's website or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's Transmission System, as such handbook may be modified or superseded from time to time. The Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and applicable reliability standards.

Interconnection Reliability Network Upgrade (IRNU) - Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

Interconnection Request – An Interconnection Customer's request, in the form of Appendix 1 Appendix KK in accordance with Section 25.1 of the CAISO Tariff.

Interconnection Study - Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

Local Deliverability Constraint - A transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade (LDNU) - A transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints - A transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) - A transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position.

Maximum Cost Exposure (MCE) - The sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Interconnection Studies.

Maximum Cost Responsibility (MCR) - The sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Interconnection Facilities Study, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer pursuant to Article 5.2.1 of this SGIA, Section 13.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Network Upgrades - Additions, modifications, and upgrades to the Participating TO's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the CAISO Controlled Grid to accommodate the interconnection of the Small Generating Facility with the CAISO Controlled Grid. Network Upgrades do not include Distribution Upgrades.

Operational Control - The rights of the CAISO under a Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Off-Peak Deliverability Constraints - A transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades - Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operating Requirements - Any operating and technical requirements that may be applicable due to the CAISO, Western Electricity Coordinating Council, Balancing Authority Area, or the Participating TO's requirements, including those set forth in this Agreement.

Option (A) Interconnection Customer – A Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Option (B) Interconnection Customer – Generating Facilities for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendix DD or KK.

Party or Parties - The Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Phased Generating Facility - A Small Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this SGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Small Generating Facility.

Point of Interconnection - The point where the Interconnection Facilities connect with the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) - Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

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

Reliability Network Upgrades (RNU) - The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 system operating limits. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) - Appendix KK to the CAISO Tariff.

Site Control - the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Small Generating Facility - The Interconnection Customer's device 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.

Small Generator Interconnection Agreement - The pro forma Interconnection Agreement applicable to an Interconnection Request for a Small Generating Facility.

TP Deliverability - The capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

Transmission Control Agreement - CAISO FERC Electric Tariff No. 7.

Transmission System - The facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Upgrades - The required additions and modifications to the Participating TO's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Withdrawal Penalty - The penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Attachment 2

Description and Costs of the Small Generating Facility.

Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Participating TO. The Participating TO will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Attachment 4

Milestones

In-Service Date: _____

[Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date 180 days from the effective date of this SGIA} or the SGIA may be terminated per Article 7 (Default) of this SGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK CAISO Tariff (Withdrawal Penalties).]

Critical milestones and responsibility as agreed to by the Parties:

<u>Milestone/Date</u>	<u>Responsible Party</u>
(1) _____	_____
(2) _____	_____
(3) _____	_____
(4) _____	_____
(5) _____	_____
(6) _____	_____
(7) _____	_____
(8) _____	_____
(9) _____	_____
(10) _____	_____

Agreed to by:

For the CAISO _____ Date _____

For the Participating TO _____ Date _____

For the Interconnection Customer _____ Date _____

Attachment 5

**Additional Operating Requirements for the CAISO Controlled Grid and Affected Systems Needed
to Support the Interconnection Customer's Needs**

The Participating TO and the CAISO shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the CAISO Controlled Grid.

Attachment 6

Participating TO's Description of its Upgrades and Best Estimate of Upgrade Costs

The Participating TO shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Participating TO shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Attachment 7

Interconnection Requirements for an Asynchronous Small Generating Facility

Attachment 7 sets forth requirements and provisions specific to all Asynchronous Generating Facilities. All other requirements of this Agreement continue to apply to all Asynchronous Generating Facility interconnections consistent with Section 25.4.2 of the CAISO tariff.

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used, during transient high voltage conditions over 1.20 per unit or more must be one second or less.

The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.

4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7 or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
7. Asynchronous Generating Facilities may meet the requirements of this Section A of this Attachment 7 through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility or by a combination of generating unit performance and additional equipment.
8. The provisions of this Section A.i of this Attachment 7 apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
9. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
10. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of

the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capacity

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the Electric Reliability Organization Reliability Standard for Generator Frequency and Voltage Protective Relay Settings as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility will operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this SGIA in order to maintain a specified voltage schedule, if the Interconnection Facilities Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Interconnection Facilities Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

Attachment 8

[This Attachment is Intentionally Omitted]

**Attachment C – Informational Matrix Mapping Order No. 2023 Compliance Directives
to Existing and Proposed CAISO Tariff Provisions
Tariff Amendment to Comply with Order No. 2023
California Independent System Operator Corporation
May 16, 2024**

ATTACHMENT C

MATRIX MAPPING ORDER NOS. 2023 AND 2023-A COMPLIANCE DIRECTIVES TO EXISTING AND PROPOSED CAISO TARIFF PROVISIONS

Notes:

- In the tables listed below, references to the “Transmittal Letter” mean references to the transmittal letter for this filing to comply with Order Nos. 2023 and 2023-A.
- In the tables listed below, “limited CAISO-specific changes” mean revisions to the CAISO Tariff made solely to adapt terms used in the Commission’s *pro forma* LGIP and LGIA, as revised in Order Nos. 2023 and 2023-A, to the CAISO context. The limited CAISO-specific changes include:
 - Use of the CAISO Tariff-defined terms “CAISO” and/or “Participating TO,” as applicable, instead of the term “Transmission Provider” defined in the *pro forma* LGIP and LGIA.
 - Use of the CAISO Tariff-defined term “CAISO Controlled Grid” instead of the term “Transmission Provider’s Transmission System” defined in the *pro forma* LGIP and LGIA.
 - Use of the CAISO Tariff-defined term “CAISO Website” instead of the term “OASIS” defined in the *pro forma* LGIP and LGIA.
 - Use of the CAISO Tariff-defined term “FERC” instead of the term “Commission” defined in the *pro forma* LGIP and LGIA.
 - Capitalization of CAISO Tariff-defined terms that are used in lower case in the *pro forma* LGIP and LGIA, and non-capitalization of terms not defined in the CAISO Tariff that are capitalized in the *pro forma* LGIP and LGIA (e.g., use of the lower-case term “calendar days” instead of the term “Calendar Days” defined in the *pro forma* LGIP and LGIA).
 - Use of the CAISO Tariff-defined term “Cluster Application Window” instead of the term “Cluster Request Window” defined in the *pro forma* LGIP and LGIA.
 - Use of the CAISO-specific phrase “the end of the Customer Engagement Window” instead of the phrase “execution of the Cluster Study Agreement” used in the *pro forma* LGIP.
 - Use of CAISO Tariff-specific cross-references instead of the cross-references used in the *pro forma* LGIP and LGIA.

Table 1 – Description of Revisions to Existing CAISO Tariff Section 25

Tariff Section	Description of Revisions
<ul style="list-style-type: none"> • Applicability (Section 25.1) 	Revised to delete outdated tariff cross-references
<ul style="list-style-type: none"> • Interconnection Request and Generating Unit Requirements (Section 25.1.1) 	Updated tariff cross-reference
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • (Section 25.1.2.2) 	Updated tariff cross-reference
<ul style="list-style-type: none"> • Interconnection to the Distribution System (Section 25.2) 	Updated tariff cross-reference
<ul style="list-style-type: none"> • Asynchronous Generating Facilities (Section 25.4) 	Revised to delete outdated tariff provisions
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Asynchronous Generating Facilities-Reactive Power (Section 25.4.1) 	Revised to delete outdated provision
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Asynchronous Generating Facilities – GIA Technical Criteria (Section 25.4.2) 	Updated tariff cross-references
<ul style="list-style-type: none"> • Modifications to Generating Facilities (Section 25.5) 	Revised to delete outdated tariff provisions and update the tariff section

Table 2 – Description of Revisions to the Definitions Contained in Existing CAISO Tariff Appendix A

Tariff Appendix A Definition	Description of Revisions
Affected System Facilities Construction Agreement	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112
Affected System Interconnection Customer	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112, 1115
Affected System Network Upgrades	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112
Affected System Queue Position	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112
Affected System Study	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112
Affected System Study Agreement	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes See also Order No. 2023 at PP 1110, 1112
Affected System Study Report	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes

Tariff Appendix A Definition	Description of Revisions
	See also Order No. 2023 at PP 1110, 1112
Cluster Application Window	Revised this existing defined term to update tariff cross-reference
Cluster Restudy	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1110, 1112</p>
Cluster Restudy Report	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1110, 1112</p>
Cluster Study Agreement	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with more particulars in the definition and limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1110, 1112</p>
Cluster Study Process	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1110, 1112</p>
Cluster Study Report Meeting	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1110, 1112</p>
Commercial Readiness Deposit	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 690</p>

Tariff Appendix A Definition	Description of Revisions
Current Cost Responsibility	Revised this existing defined term to incorporate defined terms Commercial Readiness Deposit and GIA Deposit
Customer Engagement Window	Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes
Electric Reliability Organization	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1735; section III.C.3.c of Transmittal Letter</p>
Generating Facility Capacity	Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1
Generating Unit	Revised this existing defined term to incorporate changes to the definition of the term Generating Facility Capacity from <i>pro forma</i> LGIP Section 1
Generator Interconnection Agreement	Revised this existing defined term to update tariff cross-references and make wording changes
Generator Interconnection Study Process Agreement	Revised this existing defined term to update tariff cross-references and make wording changes
GIA Deposit	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 (where it is named LGIA Deposit) with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 714</p>
Identified Affected System	Revised this existing defined term to remove outdated tariff cross-reference

Tariff Appendix A Definition	Description of Revisions
Interconnection Agreement	Revised this existing defined term to specify the CAISO as a party to an Interconnection Agreement
Interconnection Facilities Study	Revised this existing defined term to reference the Cluster Study and update its tariff cross-references
Interconnection Facilities Study Report	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 192</p>
Interconnection Request	Revised this existing defined term to update tariff cross-references
Interconnection Study	<p>Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023-A at P 167</p>
Interconnection Study Cycle	Revised this existing defined term to update tariff cross-references
Interconnection Study Deposit	Revised this existing defined term to update tariff cross-references
Large Generator Interconnection Agreement	Revised this existing defined term to update tariff cross-references and make wording changes
Material Modification	<p>Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1</p> <p>See also Order No. 2023 at P 192; section III.A.2.b of Transmittal Letter</p>
Maximum Cost Exposure	Revised this existing defined term to update tariff cross-reference and remove outdated references to Phase I and Phase II Interconnection Studies

Tariff Appendix A Definition	Description of Revisions
Maximum Cost Responsibility	<p>Revised this existing defined term to update tariff cross-reference and remove outdated references to Phase I and Phase II Interconnection Studies</p> <p>See also section III.A.2.i of Transmittal Letter</p>
Off-Peak Deliverability Assessment	Revised this existing defined term to reference Interconnection Studies in place of outdated cross-references
On-Peak Deliverability Assessment	Revised this existing defined term to reference Interconnection Studies in place of outdated cross-references
Option (A) Generating Facility	Revised this existing defined term to update tariff cross-references
Option (B) Generating Facility	Revised this existing defined term to update tariff cross-references
Pre-Construction Facilities	Revised this existing defined term to remove outdated tariff cross-references
Queue Cluster	Revised this existing defined term to specify that a set of Interconnection Requests in a Queue Cluster are processed collectively and to remove outdated tariff cross-references
Queue Position	<p>Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 276-77, 279, 283</p>
Resource Interconnection Standards	Added this new defined term to specify where the Resource Interconnection Standards are included in the tariff
Scoping Meeting	Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes

Tariff Appendix A Definition	Description of Revisions
Site Control	<p>Revised this existing defined term to incorporate changes to the definition of the same term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 583-84, 587</p>
Small Generator Interconnection Agreement	<p>Added this new defined term to specify where the Small Generator Interconnection Agreement is included in the tariff</p>
Withdrawal Penalty	<p>Added this new defined term from <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 780, 794</p>

Table 3 – Table of Revisions to the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) Contained in Existing CAISO Tariff Appendix DD to Implement Transition to the Resource Interconnection Standards (RIS) Contained in New CAISO Tariff Appendix KK

GIDAP Section	Description of Revisions
<ul style="list-style-type: none"> • Timing for Submitting Interconnection Requests for a Queue Cluster (Section 3.3.1) 	See section IV.B of Transmittal Letter
<ul style="list-style-type: none"> • (Section 7.4.3) 	See section IV.A of Transmittal Letter
Cluster 15 Unique Procedures (Section 17)	See section IV.A of Transmittal Letter
<ul style="list-style-type: none"> • Study Procedures and Timelines (Section 17.1) 	See section IV.A of Transmittal Letter

Table 4 – Description of Provisions of the Resource Interconnection Standards (RIS) Contained in New CAISO Tariff Appendix KK, Including Description of Differences Between the RIS Provisions and the Provisions of the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) Contained in Existing CAISO Tariff Appendix DD

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
Objectives and Applicability (Section 1)	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • Objectives and Applicability (Section 1.1) 	Removed references to serial Independent Study Process
<ul style="list-style-type: none"> • Definitions (Section 1.2) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Pre-Application (Section 1.3) 	No changes from GIDAP version of the section
Scope and Application (Section 2)	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • Application of Generator Interconnection Procedures (Section 2.1) 	Removed reference to serial Independent Study Process and outdated effective date reference
<ul style="list-style-type: none"> • Comparability (Section 2.2) 	<p>Revised to make changes contained in <i>pro forma</i> LGIP Section 2.2</p> <p>See also Order No. 2023 at PP 962, 965, 969; section III.B.1 of Transmittal Letter</p>
<ul style="list-style-type: none"> • Interconnection Base Case Data (Section 2.3) 	<p>Added provisions regarding the updating and publishing of Interconnection Base Case Data</p> <p>Removed references to Group Studies and Phase I and Phase II Interconnection Studies and replaced them where relevant to references to Cluster Studies</p> <p>See also Order No. 2023 at P 316; section III.A.2.I of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> • Interconnection Service and Studies (Section 2.4) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • No Applicability to Transmission Service (Section 2.4.1) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • The Product (Section 2.4.2) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • The Interconnection Studies (Section 2.4.3) 	<p>Removed references to Phase I and Phase II Interconnection Studies and Independent Study Process, and replaced them where relevant to references to Cluster Study process</p> <p>See also Order No. 2023 at P 316</p>
<ul style="list-style-type: none"> • The Cluster Studies (Section 2.4.3.1) 	<p>Changed section title from The Phase I Interconnection Studies</p> <p>Removed references to Phase I Interconnection Studies and Independent Study Process, and replaced them where relevant to references to Cluster Study process</p> <p>Added the last sentence from <i>pro forma</i> LGIP Section 3.2.1.2 with limited CAISO-specific changes</p> <p>Omitted the superseded provision in the last sentence of GIDAP Section 2.4.3.1 related to Interconnection Financial Security</p> <p>See also Order No. 2023 at PP 316, 1509, 1512</p>
<ul style="list-style-type: none"> • The Reassessment (Section 2.4.3.2) 	<p>Changed section title from The Reassessment Prior Phase II Interconnection Studies</p> <p>Removed reference to Phase II Interconnection Studies and replaced them where relevant to references to Cluster Studies</p> <p>See also Order No. 2023 at P 316</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> The Interconnection Facilities Study (Section 2.4.3.3) 	<p>Changed section title from The Phase II Interconnection Studies</p> <p>Added description of the Interconnection Facilities Study that incorporates language from the definition of that term in <i>pro forma</i> LGIP Section 1 with limited CAISO-specific changes</p> <p>Removed references to Phase II Interconnection Studies and replaced them where relevant to references to Cluster Study process</p> <p>See also Order No. 2023 at P 316</p>
<ul style="list-style-type: none"> Update Following TP Deliverability Allocation Process (Section 2.4.3.4) 	<p>Removed references to Phase II Interconnection Studies and replaced them where relevant to references to Interconnection Study process</p> <p>See also Order No. 2023 at P 316</p>
<p>Interconnection Requests (Section 3)</p>	<p>No changes to this section title from GIDAP version of the section</p>
<ul style="list-style-type: none"> General (Section 3.1) 	<p>Removed superseded defined term Generator Interconnection Study Process Agreement and replaced with the defined term Cluster Study Agreement</p> <p>Revised to include the paragraph from <i>pro forma</i> LGIP Section 3.1.2 that begins “Interconnection Customer shall submit a separate . . .” with limited CAISO-specific changes</p> <p>Added the paragraphs from <i>pro forma</i> LGIP Section 3.1.2 that begin “At Interconnection Customer’s option . . .” and “Transmission Provider shall have a process in place to study Generating Facilities . . .” with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at PP 200, 203, 1346, 1348, 1509, 1511; sections III.A.2.c, III.A.2.d, and III.C.1.a of Transmittal Letter
<ul style="list-style-type: none"> Roles and Responsibilities (Section 3.2) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Timing for Submitting Interconnection Requests (Section 3.3) 	<p>No changes to this section title from GIDAP version of the section</p> <p>See also section IV.B of Transmittal Letter</p>
<ul style="list-style-type: none"> Timing for Submitting Interconnection Requests for a Queue Cluster (Section 3.3.1) 	<p>Removed outdated provisions regarding Cluster Application Window</p> <p>Added the paragraph from <i>pro forma</i> LGIP Section 3.4.1 with limited CAISO-specific changes and stating that the Cluster Application Window is 15 days</p> <p>See also Order No. 2023 at P 223</p>
<ul style="list-style-type: none"> Timing for Submitting Interconnection Requests for Fast Track Process (Section 3.3.2) 	<p>Changed section title from Timing for Submitting Interconnection Requests for Independent Study Process and Fast Track Process</p> <p>Removed provisions related to serial Independent Study Process</p>
<ul style="list-style-type: none"> Timing for Wholesale Distribution Transfers (Section 3.3.3) 	Replaced superseded defined term Phase I Interconnection Study with defined term Cluster Study
<ul style="list-style-type: none"> Surplus Interconnection Service (Section 3.4) 	<p>Added the phrase from <i>pro forma</i> LGIP Section 3.3.1 that reads “once Interconnection Customer has executed the LGIA or requested that the LGIA be filed unexecuted” with limited CAISO-specific changes</p> <p>Added the paragraph from <i>pro forma</i> LGIP Section 3.3.1 that begins “Transmission Provider shall study . . .” with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Omitted provisions related to serial Independent Study Process and cross-reference to deleted provisions in GIDAP Section 4.2</p> <p>See also Order No. 2023 at PP 1436, 1509, 1514; section III.C.1.c of Transmittal Letter</p>
<ul style="list-style-type: none"> Processing of Interconnection Requests (Section 3.5) 	<p>No changes to this section title from GIDAP version of the section</p> <p>See also section III.A.2.c of Transmittal Letter</p>
<ul style="list-style-type: none"> Initiating an Interconnection Request (Section 3.5.1) 	<p>Added the two sentences from <i>pro forma</i> LGIP Section 3.4.2 that begin with “An Interconnection Customer seeking to join . . .” with limited CAISO-specific changes</p> <p>Removed provisions related to serial Independent Study Process</p> <p>Added to RIS Sections 3.5.1(i), -(iii), -(xi), and -(xii) provisions from <i>pro forma</i> LGIP Sections 3.4.2(i), -(iii), -(iv), and -(v), respectively, with limited CAISO-specific changes</p> <p>Revised due date for submitting a complete Interconnection Study Deposit</p> <p>Deleted superseded provisions regarding Site Exclusivity</p> <p>See also Order No. 2023 at PP 223, 502, 583, 586, 594-96, 605-06, 690, 1509, 1515; Order No. 2023-A at PP 160, 185; sections III.A.2.d, III.A.6.b.i-iii, and III.A.6.c of Transmittal Letter</p>
<ul style="list-style-type: none"> Interconnection Study Deposit (Section 3.5.1.1) 	<p>Changed section title from Use of Interconnection Study Deposit</p> <p>Added provisions from <i>pro forma</i> LGIP Section 3.1.1.1 with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Omitted provisions regarding refundability, which is now addressed by provisions in RIS Section 3.8</p> <p>See also Order No. 2023 at P 502; Order No. 2023-A at PP 188-89; section III.A.6.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Obligation for Study Costs (Section 3.5.1.2) 	<p>Added provisions from <i>pro forma</i> LGIP Section 13.3 with limited CAISO-specific changes</p> <p>Deleted the existing provisions on cost allocation that were superseded by the <i>pro forma</i> LGIP provisions</p> <p>See also Order No. 2023 at P 416; Order No. 2023-A at P 189; sections III.A.3 and III.A.6.e of Transmittal Letter</p>
<ul style="list-style-type: none"> Site Control and Site Control Deposit (Section 3.5.1.3) 	<p>Changed section title from Use of Site Exclusivity Deposit</p> <p>Added paragraphs from <i>pro forma</i> LGIP Section 3.4.2 that begin “An Interconnection Customer that submits a deposit” and “Interconnection Customer shall promptly inform . . .” with limited CAISO-specific changes</p> <p>Replaced superseded defined term Site Exclusivity Deposit with the defined term Site Control Deposit</p> <p>Deleted superseded provisions regarding Site Exclusivity Deposits</p> <p>See also Order No. 2023 at P 583</p>
<ul style="list-style-type: none"> Proposed Commercial Operation Date (Section 3.5.1.4) 	<p>Added clarifying language to the first paragraph of the section to specify that it applies to the initial Interconnection Request</p> <p>Added the provisions from <i>pro forma</i> LGIP Section 4.4.5</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at PP 293, 296, 337; section III.A.2.h of Transmittal Letter
<ul style="list-style-type: none"> Third-party Interconnection Facilities (Section 3.5.1.5) 	<p>Deleted superseded provision regarding Interconnection Financial Security</p> <p>Added provision from <i>pro forma</i> LGIP Section 7.5(1) regarding requirement for Interconnection Customer to provide information within 20 calendar days after Cluster Study Report Meeting</p> <p>See also Order No. 2023 at PP 583, 596, 690, 703</p>
<ul style="list-style-type: none"> Customer Engagement Window (Section 3.5.2) 	<p>Changed section title from Validation of Interconnection Request</p> <p>Added the first two paragraphs from <i>pro forma</i> LGIP Section 3.4.5 with limited CAISO-specific changes, and stating that the Customer Engagement Window is 60 days, replacing the phrase “(5) the type of Interconnection Service requested” with “(5) the Deliverability Status requested,” and stating that the tender and execution process for the Interconnection Study Agreement is online in the CAISO</p> <p>Replaced superseded defined term Phase I Interconnection Studies with the defined term Cluster Study</p> <p>Added the provisions from <i>pro forma</i> LGIP Section 3.4.4 that begin with “Interconnection Customer shall provide” and end with “shall be returned to Interconnection Customer,” with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 137, 223, 226, 232, 234, 237; Order No. 2023-A at P 159-60; sections III.A.2.d and III.A.2.e of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Validation Process (Section 3.5.2.1) 	Revised specified dates
<ul style="list-style-type: none"> Deficiencies in Interconnection Request (Section 3.5.2.2) 	Revised specified date
<ul style="list-style-type: none"> Day-for-day Extensions (Section 3.5.3) 	<p>Deleted sentence stating that the CAISO and Participating TO will use Reasonable Efforts to meet deadlines, consistent with directives in Order No. 2023 eliminating Reasonable Efforts standard</p> <p>Omitted provisions as duplicative of provisions in GIDAP Sections 3.5.2 and 3.5.2.1</p> <p>Deleted superseded provisions regarding day-for-day extensions</p> <p>See also Order No. 2023 at PP 962, 965</p>
<ul style="list-style-type: none"> Internet Posting (Section 3.6) 	<p>Added the paragraph from <i>pro forma</i> LGIP Section 6.1 that begins “Transmission Provider shall maintain . . .” with limited CAISO-specific changes and with removal of reference to Network Resource Interconnection Service, which the CAISO does not have</p> <p>Replaced superseded defined term Phase I Interconnection Study with defined term Cluster Study, and replaced superseded defined term Phase II Interconnection Study with defined term Interconnection Facilities Study</p> <p>See also Order No. 2023 at PP 135, 162, 263; section III.A.1 of Transmittal Letter</p>
<ul style="list-style-type: none"> Interconnection Studies Statistics (Section 3.6.1) 	<p>Capitalized the CAISO Tariff-defined term “Website”</p> <p>See also section III.A.2.f of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Cluster Studies (Section 3.6.1.1) 	<p>Changed section title from Phase I Interconnection Studies</p> <p>Incorporated revisions from <i>pro forma</i> LGIP Section 3.5.2.2 with limited CAISO-specific changes, and updated RIS section to reflect Cluster Study process</p> <p>See also Order No. 2023 at P 259</p>
<ul style="list-style-type: none"> Cluster Restudies Studies (Section 3.6.1.2) 	<p>Incorporated revisions from <i>pro forma</i> LGIP Section 3.5.2.2 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 259-60</p>
<ul style="list-style-type: none"> Interconnection Facilities Study Processing Time (Section 3.6.1.3) 	<p>Changed section title from Phase II Interconnection Studies</p> <p>Incorporated revisions from <i>pro forma</i> LGIP Section 3.5.2.3 with limited CAISO-specific changes, and prepared RIS section to reflect new Interconnection Facilities Study process and omit previous Phase II Interconnection Study timeline</p> <p>See also Order No. 2023 at P 259</p>
<ul style="list-style-type: none"> Interconnection Requests Withdrawn (Section 3.6.1.4) 	<p>Replaced superseded defined term Phase II Interconnection Study with the defined term Interconnection Facilities Study</p> <p>Incorporated revisions from <i>pro forma</i> LGIP Section 3.5.2.4 with limited CAISO-specific changes</p> <p>See also Order No. 2023-A at P 167</p>
<ul style="list-style-type: none"> Retention (Section 3.6.2) 	<p>Deleted superseded date</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> • FERC Reporting (Section 3.6.3) 	<p>Revised to remove the phrase “(excluding any allowance for Reasonable Efforts)” pursuant to <i>pro forma</i> LGIP Section 3.5.4</p> <p>See also Order No. 2023 at PP 962, 965, 969; section III.B.1 of Transmittal Letter</p>
<ul style="list-style-type: none"> • Coordination with Affected Systems (Section 3.7) 	<p>Added phrase “and Affected System Operator” from <i>pro forma</i> LGIP Section 3.6</p> <p>See also Order No. 2023 at P 1119; section III.A.2.I of Transmittal Letter</p>
<ul style="list-style-type: none"> • Timing for Identification of Identified Affected Systems (Section 3.7.1) 	<p>Added provisions from first paragraph of <i>pro forma</i> LGIP Section 3.6.1 with limited CAISO-specific changes and to cross-reference provisions</p> <p>See also Order No. 2023 at P 1119-20, 1128; section III.B.2.b of Transmittal Letter</p>
<ul style="list-style-type: none"> • Withdrawal (Section 3.8) 	<p>Revised to make changes contained in <i>pro forma</i> LGIP Section 3.7 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 780; section III.A.6.a of Transmittal Letter</p>
<ul style="list-style-type: none"> • Withdrawal Penalty (Section 3.8.1) 	<p>Added this new section to include the provisions in <i>pro forma</i> LGIP Section 3.7.1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 780, 783, 799; Order No. 2023-A at PP 233, 243; section III.A.6.e of Transmittal Letter</p>
<ul style="list-style-type: none"> • Calculation of the Withdrawal Penalty (Section 3.8.1.1) 	<p>Added the provisions from <i>pro forma</i> LGIP Section 3.7.1.1 with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at PP 780, 812; Order No. 2023-A at P 243; ; section III.A.6.e of Transmittal Letter
<ul style="list-style-type: none"> Notification to CAISO and Accounting by Applicable Participating TO(s) (Section 3.8.2) 	Added provisions from GIDAP Section 11.4.2.5 with updates to reflect removal of defined term Interconnection Financial Security and use of new defined term Withdrawal Penalty
<ul style="list-style-type: none"> Transferability of Interconnection Request (Section 3.9) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Emergency Interconnection Process (Section 3.10) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Penalties for Failure to Meet Study Deadlines (Section 3.11) 	<p>Added the provisions from <i>pro forma</i> LGIP Section 3.9 with limited CAISO-specific changes</p> <p>RIS Section 3.11(1) applies penalties for failure to meet study deadlines directly to the interconnecting Participating TO, consistent with paragraph 995 of Order No. 2003</p> <p>Added sentence to RIS Section 3.11(7) to require Participating TOs to notify the CAISO of its penalties to enable the CAISO to comply with the requirements of that RIS section</p> <p>See also Order No. 2023 at PP 962-63, 979, 981-82, 984, 987, 990, 995, 1002, 1008; section III.B.1 of Transmittal Letter</p>
Independent Study Process (Section 4 and subsections thereto)	<p>Removed entirety of section to eliminate the serial Independent Study Process</p> <p>See also Order No. 2023 at P 278; section III.A.2.g of Transmittal Letter</p>
Fast Track Process (Section 5 and subsections thereto)	Written to use defined term Site Control in place of superseded term Site Exclusivity (RIS Section 5.1(iii), remove outdated provisions regarding Off-Peak Deliverability Status (RIS Section 5.2.1.3),

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	remove outdated references to Phase I and Phase II (RIS Sections 5.2.1.4 and 5.2.1.5), and remove outdated reference to Independent Study Process and update cross-reference (RIS Section 5.4.3)
Cluster Study Process (Section 6)	<p>Changed section title from Initial Activities and Phase I of the Interconnection Study Process for Queue Clusters</p> <p>Omitted introductory provision that would otherwise exclude Interconnection Requests submitted under the 10 kW inverter process (see GIDAP Appendix 7) from the Cluster Study Process</p> <p>Removed provisions related to serial Independent Study Process</p>
<ul style="list-style-type: none"> Initial Activities Following the Close of the Cluster Application Window (Section 6.1) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> [Intentionally omitted] (Section 6.1.1) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> Scoping Meeting (Section 6.1.2) 	<p>Added both paragraphs of <i>pro forma</i> LGIP Section 3.4.6 with limited CAISO-specific changes</p> <p>Deleted provisions regarding Scoping Meetings with individual Interconnection Customers</p> <p>See also Order No. 2023 at PP 234, 237, 245, 247; Order No. 2023-A at P 167; section III.A.2.e of Transmittal Letter</p>
<ul style="list-style-type: none"> Grouping Interconnection Requests (Section 6.1.3) 	<p>Added the provisions from <i>pro forma</i> LGIP Sections 4.1.1, 4.1.2, and 4.2 with limited CAISO-specific changes</p> <p>Revised the section to address study of Interconnection Requests in subgroups</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at PP 276-78, 1018; sections III.A.2.g and III.A.2.I of Transmittal Letter
<ul style="list-style-type: none"> • Scope and Purpose of Cluster Study (Section 6.2) 	<p>Changed section title from Scope and Purpose of Phase I Interconnection Study</p> <p>Removed Interconnection Facilities from scope of initial Cluster Study, removed references to Phase I Interconnection Study, and removed or changed references to Cluster Study or Interconnection Facilities Study, depending on the context</p> <p>Added the paragraphs in <i>pro forma</i> LGIP Section 7.3 that begin “For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study shall use Operating Assumptions . . .”, “Upon issuance of a Cluster Study Report . . .”, and “The Cluster Study shall evaluate . . .”, with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 316, 327, 1509, 1517, 1578; Order No. 2023-A at PP 163, 623-26; sections III.A.2.i and III.C.2 of Transmittal Letter</p>
<ul style="list-style-type: none"> • Identification of and Cost Allocation for Network Upgrades (Section 6.3) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • Reliability Network Upgrades (Section 6.3.1) 	<p>Replaced references to Group Study with references to subgroup and replaced superseded defined term Phase I Interconnection Study with the defined term Cluster Study</p> <p>Omitted cross-references to superseded Section 8.3</p>
<ul style="list-style-type: none"> • Delivery Network Upgrades (Section 6.3.2) 	No changes to this section title from GIDAP version of the section

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> The On-Peak Deliverability Assessment (Section 6.3.2.1) 	<p>Removed superseded provisions regarding Off-Peak Deliverability Status and replaced superseded term Group Study with defined term Cluster Study</p> <p>Added provision from <i>pro forma</i> LGIP Section 3.2.2.2 that begins “except for Generating Facilities . . .” and ends “. . . pursuant to Section 3.1.2,” with minor wording changes and limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1509, 1512</p>
<ul style="list-style-type: none"> Local Delivery Network Upgrades (Section 6.3.2.1.1) 	<p>Replaced superseded defined term Phase I Interconnection Study with the defined term Cluster Study</p>
<ul style="list-style-type: none"> Area Delivery Network Upgrades (Section 6.3.2.1.2) 	<p>Replaced superseded defined term Phase I Interconnection Study with the defined term Cluster Study</p> <p>Changed “shall” to “will”</p>
<ul style="list-style-type: none"> [Intentionally Omitted] (Section 6.3.2.1.3) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> [Not Used] (Section 6.3.2.2) 	<p>Changed section title from Off-Peak Deliverability Assessment</p> <p>Deleted superseded section in its entirety</p>
<ul style="list-style-type: none"> [Not Used] (Section 6.3.2.3) 	<p>Changed section title from Transition to Off-Peak Deliverability Status</p> <p>Deleted superseded section in its entirety</p>
<ul style="list-style-type: none"> Interconnection Facilities (Section 6.3.3) 	<p>Added new section to confirm cost allocation of Interconnection Facilities</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> • Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs (Section 6.4) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> • Assigned and Contingent Facilities (Section 6.5) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> • Cluster Study Procedures (Section 6.6) 	<p>Changed section title from Phase I Interconnection Study Procedures</p> <p>Replaced superseded defined term Phase I Interconnection Study with Cluster Study</p> <p>Updated timeline for issuance of Cluster Study report to 150 days after commencement of the Cluster Study</p> <p>Removed sentence stating that the CAISO will use Reasonable Efforts to complete and issue reports to Interconnection Customers, consistent with directives in Order No. 2023 eliminating Reasonable Efforts standard</p> <p>See also Order No. 2023 at PP 322, 962, 965; section III.B.1 of Transmittal Letter</p>
<ul style="list-style-type: none"> • Cluster Study Results Meeting (Section 6.7) 	<p>Changed section title from Phase I Interconnection Study Results Meeting</p> <p>Added the sentence from <i>pro forma</i> LGIP Section 7.4 that begins “Within ten (10) Business Days . . .” with limited CAISO-specific changes</p> <p>Deleted the provisions regarding Results Meetings with individual Interconnection Customers</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at PP 322, 363, 962, 965; section III.A.2.i of Transmittal Letter
<ul style="list-style-type: none"> <li data-bbox="178 354 590 386">• [Not used] (Section 6.7.1) 	<p data-bbox="1037 354 1814 386">Changed section title from Commercial Operation Date</p> <p data-bbox="1037 423 1955 526">Deleted entirety of section regarding Commercial Operation Date feasibility review at individual Results Meetings between Phase I and Phase II Interconnection Studies</p> <p data-bbox="1037 565 1656 597">See also section III.B.1 of Transmittal Letter</p>
<ul style="list-style-type: none"> <li data-bbox="178 641 632 673">• Modifications (Section 6.7.2) 	<p data-bbox="1037 641 1961 673">No changes to this section title from GIDAP version of the section</p> <p data-bbox="1037 711 1682 743">See also section III.A.2.c of Transmittal Letter</p>
<ul style="list-style-type: none"> <li data-bbox="226 784 506 816">• (Section 6.7.2.1) 	<p data-bbox="1037 784 1965 886">Replaced existing provisions regarding changes in Point of Interconnection with second paragraph of <i>pro forma</i> LGIP Section 4.4 with limited CAISO-specific changes</p> <p data-bbox="1037 925 2003 990">See also Order No. 2023 at PP 276, 280, 283-84; section III.A.2.g of Transmittal Letter</p>
<ul style="list-style-type: none"> <li data-bbox="226 1037 506 1070">• (Section 6.7.2.2) 	<p data-bbox="1037 1037 1961 1140">Removed provisions for requesting permissible changes between studies to conform to Cluster Study Agreement contained in <i>pro forma</i> LGIP Appendix 2</p> <p data-bbox="1037 1179 1923 1243">Added relevant provisions from <i>pro forma</i> LGIP Sections 4.4.1, 4.4.2, and 4.4.3 with limited CAISO-specific changes</p> <p data-bbox="1037 1282 1955 1347">See also Order No. 2023 at PP 276, 285, 337, 1406, 1417, 1509, 1516; sections III.A.2.g and III.C.1.b of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> (Section 6.7.2.3) 	<p>Added the sentence from <i>pro forma</i> LGIP Section 4.4.4 that begins “Any such request for modification . . .” with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1660; section III.C.3.a of Transmittal Letter</p>
<ul style="list-style-type: none"> (Section 6.7.2.4) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> (Section 6.7.2.5) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> (Section 6.7.2.6) 	<p>Replaced references to Phase II Interconnection Study with references to Interconnection Facilities Study</p>
<ul style="list-style-type: none"> (Section 6.7.2.7) 	<p>Replaced November 30 deadline with new deadline</p> <p>Replaced superseded defined term Interconnection Financial Security and cross-references to deleted provisions with reference to “deposits or penalties”</p>
<ul style="list-style-type: none"> Additional Generation (Section 6.7.2.8) 	<p>Added provisions of LGIP Section 4.4.3.1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1406; section III.C.1.b of Transmittal Letter</p>
<ul style="list-style-type: none"> [Not used] (Section 6.7.3) 	<p>Changed section title from Re-calculation of Initial Financial Security Posting</p> <p>Removed superseded provisions regarding recalculation of initial Financial Security posting</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue (Section 6.7.4) 	<p>Replaced superseded defined term Site Exclusivity with the defined term Site Control</p> <p>Removed outdated provision regarding satisfaction of commercial viability criteria</p> <p>Replaced superseded defined term Interconnection Financial Security with defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Replaced superseded defined term Phase II Interconnection Study with defined term Cluster Study, and replaced superseded defined term Phase II Interconnection Study with Interconnection Study</p>
<ul style="list-style-type: none"> Annual Review (Section 6.7.4.1) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> Alignment with Power Purchase Agreements (Section 6.7.5) 	<p>No changes from GIDAP version of the section</p>
<ul style="list-style-type: none"> Revisions and Addenda to Final Interconnection Study Reports (Section 6.8) 	<p>No changes to this section title from GIDAP version of the section</p>
<ul style="list-style-type: none"> Substantial Error or Omissions; Revised Study Report (Section 6.8.1) 	<p>Replaced superseded defined terms Phase I Interconnection Study Report and Phase II Interconnection Study Report with the defined term Interconnection Study Report</p> <p>Added the clarifying phrase “as set by the Interconnection Facilities Study”</p>
<ul style="list-style-type: none"> Other Errors or Omissions; Addendum (Section 6.8.2) 	<p>Removed outdated provisions related to serial Independent Study Process and the defined term Interconnection Financial Security</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Only Substantial Errors or Omissions Adjust Posting Dates (Section 6.8.3) 	<p>Specified that section applies to Cluster 14 and previous Clusters</p> <p>Deleted provision regarding Phase I and II Interconnection Study reports</p>
<ul style="list-style-type: none"> Substantial Errors or Omissions Allowing Refunds (Section 6.8.4) 	<p>Replaced superseded use of terms Interconnection Financial Security and Interconnection Study Deposit with defined terms Commercial Readiness Deposit and Study Deposit</p>
<p>Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection Facilities Study (Section 7)</p>	<p>Changed section title from Activities in Preparation for Phase II</p> <p>Removed superseded provisions related to activities in preparation for Phase II</p>
<ul style="list-style-type: none"> [Not used] (Section 7.1) 	<p>No changes to this section title from GIDAP version of the section</p>
<ul style="list-style-type: none"> Full/Partial Capacity Deliverability Options for Interconnection Customers (Section 7.2) 	<p>Replaced superseded defined term Interconnection Financial Security with the defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Replaces superseded defined term Phase I Interconnection Study with the defined term Cluster Study</p> <p>See also section III.A.2.i of Transmittal Letter</p>
<ul style="list-style-type: none"> [Not used] (Section 7.3) 	<p>Changed section title from Postings and Cost Estimates for Network Upgrades</p> <p>Removed superseded provisions regarding postings and cost estimates for Network Upgrades</p>
<ul style="list-style-type: none"> Reassessment Process (Section 7.4) 	<p>Replaced superseded defined terms Phase I Interconnection Study and Phase II Interconnection Study with Cluster Study</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	Added sentence to specify that the CAISO will complete the annual reassessment, including the Cluster Restudy, within 180 days of the Cluster Study Report Meeting
<ul style="list-style-type: none"> • Cluster Study Restudy (Section 7.4.1) 	<p>Added sentence to specify that the CAISO will conduct the Cluster Study Restudy as part of the annual assessment of the Base Case</p> <p>Added provisions of <i>pro forma</i> LGIP Section 7.5 with limited CAISO-specific changes and following:</p> <ul style="list-style-type: none"> • Omitted the provision in <i>pro forma</i> LGIP Section 7.5(4) stating “and Transmission Provider determines a Cluster Restudy is necessary as a result” • Omitted the sentence in <i>pro forma</i> LGIP Section 7.5(4) that begins “If an Interconnection Customer withdraws or is deemed withdrawn . . . ” • Omitted the second sentence in <i>pro forma</i> LGIP Section 7.5(5), because the CAISO is combining the 30-day determination and the 150-day restudy periods under <i>pro forma</i> LGIP Section 7.5 to require a reassessment within 180 days of the Cluster Study Report Meeting <p>See also Order No. 2023 at PP 323, 583, 596, 690, 703; Order No. 2023-A at PP 167, 185; section III.A.6.c of Transmittal Letter</p>
<ul style="list-style-type: none"> • (Section 7.4.2) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • (Section 7.4.3) 	Added CAISO-specific sentence in RIS Section 7.4.3(ii) to address treatment of legacy Phase II Interconnection Studies or Interconnection Facilities Studies

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Omitted superseded provisions in RIS Section 7.4.3(v) on adjustment of Interconnection Financial Security based on current cost responsibility – the applicable Commercial Readiness Deposit/GIA Deposit will be calculated at the time due</p> <p>See also section III.A.2.m of Transmittal Letter</p>
<ul style="list-style-type: none"> Option (B) Customers (Section 7.5) 	<p>Changed section title from [Not used]</p> <p>Contains provisions moved, with updates to comply with Order No. 2023 directives, from GIDAP Section 8.2.2 and the second paragraph of GIDAP Section 8.4</p>
<ul style="list-style-type: none"> Application of Withdrawal Penalties and Non-Refundable Amounts (Section 7.6) 	<p>Changed section title from Application of Non-Refundable Amounts</p> <p>Revised section to remove outdated provisions regarding Interconnection Financial Security and to include provisions regarding Withdrawal Amounts and disbursements thereof</p> <p>Moved provisions from GIDAP Section 7.6(e) to RIS Section 11.1 with updates to reflect removal of defined term Interconnection Financial Security and use of new defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>See also section III.A.6.e of Transmittal Letter</p>
<p>Interconnection Facilities Study and TP Deliverability Allocation Processes (Section 8)</p>	<p>Changed section title from Phase II Interconnection Study and TP Deliverability Allocation Processes</p> <p>Removed introductory provision that would otherwise exclude Interconnection Requests submitted under the 10 kW inverter process (see GIDAP Appendix 7) from the Cluster Study Process</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	Removed provisions related to serial Independent Study Process
<ul style="list-style-type: none"> Interconnection Facilities Study (Section 8.1) 	Added new section title
<ul style="list-style-type: none"> Interconnection Facilities Study Agreement (Section 8.1.1) 	<p>Changed section title from Scope of Phase II Interconnection Study</p> <p>Added provisions of <i>pro forma</i> LGIP Section 8.1 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 583, 594, 596, 690, 703; Order No. 2023-A at PP 163, 185; sections III.A.2.i and III.A.6.c of Transmittal Letter</p>
<ul style="list-style-type: none"> Purpose of the Interconnection Facilities Study (Section 8.1.2) 	<p>Changed section title from Purpose of the Phase II Interconnection Study</p> <p>Added provisions of <i>pro forma</i> LGIP Section 8.2 with limited CAISO-specific changes</p> <p>Omitted provision from <i>pro forma</i> LGIP Section 8.2 regarding performance of studies on a non-clustered basis, so that all CAISO studies will be on a clustered basis</p> <p>Replaced the phrase from <i>pro forma</i> LGIP Section 8.2 that reads “specify and provide a non-binding estimate of the cost of the equipment, engineering, procurement, and construction work needed” with “specify and provide Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure”</p> <p>Removed superseded provisions regarding Phase II Interconnection Study</p> <p>See also Order No. 2023 at PP 403, 1509, 1518</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> [Not used] (Section 8.1.3) 	<p>Changed section title from Interim Energy-Only Interconnection Until DNU's Completed</p> <p>Removed provisions as unnecessary and redundant with the Reliability Network Upgrade/Deliverability Network Upgrade distinction</p>
<ul style="list-style-type: none"> [Not used] (Section 8.1.4) 	<p>Changed section title from Cost Estimation Detail</p> <p>Omitted provisions as redundant with provisions in GIDAP Section 6.2</p>
<ul style="list-style-type: none"> [Not used] (Section 8.1.5) 	<p>Changed section title from Operational Deliverability Assessment</p> <p>Deleted superseded provisions</p>
<ul style="list-style-type: none"> [Not used] (Section 8.2) 	<p>Changed section title from Determining Phase II Network Upgrades</p>
<ul style="list-style-type: none"> [Not used] (Section 8.2.1) 	<p>Changed section title from Reliability Network Upgrades, Local Delivery Network Upgrades, and Local Off-Peak Network Upgrades</p> <p>Omitted provisions in section as redundant with provisions contained in GIDAP Section 6.3</p>
<ul style="list-style-type: none"> [Not used] (Section 8.2.2) 	<p>Changed section title from Area Delivery Network Upgrades</p> <p>Moved GIDAP provisions, with updates to comply with Order No. 2023 directives, to RIS Section 7.5</p>
<ul style="list-style-type: none"> [Not used] (Section 8.3) 	<p>Changed section title from Cost Responsibility for Reliability Network Upgrades</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	Omitted provisions in section as redundant with provisions contained in GIDAP Section 6.3
<ul style="list-style-type: none"> <li data-bbox="128 354 520 386">• [Not used] (Section 8.4) 	<p data-bbox="1035 354 1990 423">Changed section title from Cost Responsibility for Delivery Network Upgrades</p> <p data-bbox="1035 459 1948 565">Moved provisions from second paragraph of GIDAP Section 8.4, with updates to comply with Order No. 2023 directives, to RIS Section 7.5</p> <p data-bbox="1035 602 1938 672">Deleted other provisions in section as redundant with provisions contained in Section 6.3</p>
<ul style="list-style-type: none"> <li data-bbox="176 714 569 747">• [Deleted] (Section 8.4.1) 	Deleted provisions in section as redundant with provisions contained in Section 6.3
<ul style="list-style-type: none"> <li data-bbox="128 824 982 857">• Interconnection Facilities Study Procedures (Section 8.5) 	<p data-bbox="1035 824 1927 894">Changed section title from Phase II Long-Term Interconnection Study Procedures</p> <p data-bbox="1035 930 1997 1109">Added the first paragraph of <i>pro forma</i> LGIP Section 8.3 with limited CAISO-specific changes, and stating that the CAISO and Participating TO will issue a draft Interconnection Facilities Study Report to the Interconnection Customer within 120 days after receipt of an executed Interconnection Facilities Study Agreement</p> <p data-bbox="1035 1146 1980 1216">Added the second and third paragraphs of <i>pro forma</i> LGIP Section 8.3 with limited CAISO-specific changes</p> <p data-bbox="1035 1253 1934 1323">Omitted superseded provisions in GIDAP Section 8.5 regarding study procedures</p> <p data-bbox="1035 1360 1969 1430">See also Order No. 2023 at PP 13, 962, 965; sections III.A.2.i and III.B.1 of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Interconnection Facilities Restudy (Section 8.6) 	<p>Changed section title from Accelerated Phase II Interconnection Study Process</p> <p>Added provisions from <i>pro forma</i> LGIP Section 8.5, except for provisions stating that the CAISO will update the Interconnection Facilities Study results via the annual reassessment (rather than by including the provisions from <i>pro forma</i> LGIP Section 8.5 that begin with “Transmission Provider shall so notify . . .” and end with “. . . from the date of notice”), in recognition that restudy of results provided in Interconnection Facilities Studies will be provided via the annual reassessment, and the CAISO cannot accommodate serial restudies <i>ad hoc</i></p> <p>Removed superseded provisions regarding the accelerated Phase II Interconnection Study Process</p> <p>See also Order No. 2023 at P 335; section III.A.2.j of Transmittal Letter</p>
<ul style="list-style-type: none"> Changed section title from Results Meeting with the CAISO and Applicable PTO(s) (Section 8.7) 	<p>Removed superseded references to the Phase II Interconnection Study and provisions regarding this Results Meeting</p> <p>See also section III.A.2.i of Transmittal Letter</p>
<ul style="list-style-type: none"> [Intentionally omitted] (Section 8.8) 	<p>No changes to this section title from GIDAP version of the section</p>
<ul style="list-style-type: none"> Allocation Process for TP Deliverability (Section 8.9) 	<p>Replaced superseded defined term Phase II Interconnection Study with the defined term Interconnection Facilities Study</p>
<ul style="list-style-type: none"> First Component: Representing TP Deliverability Used by Prior Commitments (Section 8.9.1) 	<p>No changes from GIDAP version of the section</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Second Component: Allocating TP Deliverability (Section 8.9.2) 	Deleted outdated provisions related to the 2023-24 TP Deliverability allocation process
<ul style="list-style-type: none"> Deliverability Analysis (Section 8.9.2.1) 	Omitted outdated provisions contained in GIDAP Section 8.9.2.1(2)(e)
<ul style="list-style-type: none"> [Not used] (Section 8.9.2.2) 	<p>Changed section title from Proceeding without a Power Purchase Agreement prior to September 1, 2022</p> <p>Deleted outdated provisions</p>
<ul style="list-style-type: none"> TP Deliverability Group D (Section 8.9.2.3) 	Deleted outdated provision related to the 2023-24 TP Deliverability allocation process
<ul style="list-style-type: none"> Retaining TP Deliverability Allocation (Section 8.9.3) 	Removed superseded defined term Interconnection Financial Security
<ul style="list-style-type: none"> [Not used] (Section 8.9.3.1) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> Loss of Power Purchase Agreement or Short List Status (Section 8.9.3.2) 	Replaced superseded defined term Interconnection Financial Security with the defined term Commercial Readiness Deposit
<ul style="list-style-type: none"> Parking for Option (A) Generating Facilities (Section 8.9.4) 	<p>Replaced superseded defined term Interconnection Financial Security with the defined term Commercial Readiness Deposit</p> <p>Replaced “shall” with “will”</p> <p>Removed provision on need for a second posting of Interconnection Financial Security to come out of parking for Option (A) Generating Facilities</p> <p>See also section III.A.2.k of Transmittal Letter</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Extended Parking for Option (A) Generating Facility (Section 8.9.4.1) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities (Section 8.9.5) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Declining TP Deliverability Allocation (Section 8.9.6) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Interim Deliverability (Section 8.9.7) 	<p>Changed section title from [Intentionally omitted]</p> <p>Moved, to this RIS Section 8.9.7, portions of GIDAP Section 4.6 on Interim Deliverability applicable to Cluster Study projects</p> <p>See also section III.A.2.g of Transmittal Letter</p>
<ul style="list-style-type: none"> Updates to Interconnection Study Results (Section 8.9.8) 	<p>Changed section title from Updates to Phase II Interconnection Study Results</p> <p>Made corrections to change ISO to defined term CAISO</p> <p>Changed superseded defined term Phase II Interconnection Study to defined term Interconnection Study</p>
<ul style="list-style-type: none"> Deliverability Transfers (Section 8.9.9) 	Replaced cross-reference to deleted tariff section with the phrase “as a modification request”
Additional Deliverability Assessment Options (Section 9)	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> [Intentionally omitted] (Section 9.1) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> [Intentionally omitted] (Section 9.2) 	No changes to this section title from GIDAP version of the section

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> PTO Tariff Option for Full Capacity Deliverability Status (Section 9.3) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Deliverability from Non-Participating TOs (Section 9.4) 	Replaced superseded defined term Interconnection Financial Security with the defined term Commercial Readiness Deposit, and replaced superseded defined term Group Study with the defined term Cluster Study
Cost Responsibility for Interconnection Customers (Section 10)	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> Interconnection Customers in a Queue Cluster (Section 10.1) 	<p>Replaced superseded defined term Interconnection Financial Security with the defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Replaced superseded defined term Phase I Interconnection Study with the defined term Cluster Study, replaced superseded defined term Phase II Interconnection Study with the phrase annual reassessment, and replaced superseded defined term Phase II Interconnection Study with the defined term Interconnection Facilities Study</p>
<ul style="list-style-type: none"> [Not used] (Section 10.2) 	<p>Changed section title from Interconnection Customers in the Independent Study Process</p> <p>Removed provisions related to Interconnection Customers in the serial Independent Study Process</p>
Commercial Readiness Deposit and GIA Deposit (Section 11)	Changed section title from Interconnection Financial Security
<ul style="list-style-type: none"> Types of Commercial Readiness Deposit and GIA Deposit (Section 11.1) 	Changed section title from Types of Interconnection Financial Security

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Replaced superseded defined term Interconnection Financial Security with the defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Added provisions moved from GIDAP Section 7.6(e) with updates to reflect removal of defined term Interconnection Financial Security and use of new defined terms Commercial Readiness Deposit and GIA Deposit</p>
<ul style="list-style-type: none"> (Sections 11.2 through 11.5) 	<p>Removed superseded provisions regarding Interconnection Financial Security postings, withdrawal or termination of Interconnection Requests, and adjustments to Network Upgrade Postings following the reassessment process</p> <p>Moved provisions from GIDAP Section 11.4.2.5 to RIS Section 3.8.2</p>
Engineering & Procurement Agreement (Section 12)	No changes from GIDAP version of the section
Generator Interconnection Agreement (Section 13)	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> Tender (Section 13.1) 	<p>No changes to this section title from GIDAP version of the section</p> <p>See also section III.A.2.k of Transmittal Letter</p>
<ul style="list-style-type: none"> (Section 13.1.1) 	<p>Added provisions from <i>pro forma</i> LGIP Section 11.1 with limited CAISO-specific changes</p> <p>Deleted provisions regarding tender of a Generator Interconnection Agreement that have been superseded by the <i>pro forma</i> LGIP provisions</p> <p>See also Order No. 2023 at P 344</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> (Section 13.1.2) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Negotiation (Section 13.2) 	<p>Added provisions from <i>pro forma</i> LGIP Section 11.2 with limited CAISO-specific changes</p> <p>Removed superseded provisions regarding negotiation</p> <p>See also Order No. 2023 at P 348; section III.A.2.k of Transmittal Letter</p>
<ul style="list-style-type: none"> Delay in LGIA Execution, or Filing Unexecuted, to Await Affected Systems Study Report (Section 13.2.1) 	<p>Added provisions from <i>pro forma</i> LGIP Section 11.2.1 with limited CAISO-specific changes</p> <p>In the first paragraph of RIS Section 13.2.1, replaced the phrase “Affected System Operator” with “Identified Affected System” and added the phrase “or two hundred and ten (210) calendar days after the tendering of the GIA and appendices, whichever is earlier”</p> <p>See also Order No. 2023 at P 1123</p>
<ul style="list-style-type: none"> Execution and Filing (Section 13.3) 	<p>Added the first paragraph of <i>pro forma</i> LGIP Section 11.3 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 344, 346-47, 583, 594-96, 690, 714, 717, 1123; sections III.A.2.k and III.A.6.d of Transmittal Letter</p>
<ul style="list-style-type: none"> Commencement of Interconnection Activities (Section 13.4) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Interconnection Customer to Meet PTO Handbook Requirements (Section 13.5) 	No changes from GIDAP version of the section

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
Construction and Neighboring System Impacts (Section 14)	Changed section title from PTOs Interconnection Facilities and Network Upgrades
<ul style="list-style-type: none"> • Schedule (Section 14.1) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Construction Sequencing (Section 14.2) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • General (Section 14.2.1) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer (Section 14.2.2) 	Replaced superseded defined terms Interconnection Financial Security and Phase II Interconnection Study with the defined terms Commercial Readiness Deposit and Interconnection Study, respectively
<ul style="list-style-type: none"> • Advancing Construction of Network Upgrades that are Part of the CAISO's Transmission Plan (Section 14.2.3) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Limited Operation Study (Section 14.2.4 and its subsections) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Network Upgrades (Section 14.3) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> • Initial Funding (Section 14.3.1) 	Replaced superseded defined term Interconnection Financial Security with the defined terms Commercial Readiness Deposit and GIA Deposit
<ul style="list-style-type: none"> • Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security (Section 14.3.2) 	No changes to this section title from GIDAP version of the section
<ul style="list-style-type: none"> • Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities (Section 14.3.2.1) 	Omitted outdated provisions

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
<ul style="list-style-type: none"> Repayment of Amounts Advanced Regarding Phased Generating Facilities (Section 14.3.2.2) 	Omitted outdated provisions
<ul style="list-style-type: none"> Interest Payments and Assignment Rights (Section 14.3.2.3) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Special Provisions for Affected Systems, Other Affected PTOs (Section 14.4) 	No changes from GIDAP version of the section
<ul style="list-style-type: none"> Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs (Section 14.4.1) 	<p>Changed section title from Cost Allocation, Interconnection Financial Security, and Reimbursement for Multiple Participating TOs</p> <p>Replaced superseded defined term Interconnection Financial Security with the defined terms Commercial Readiness Deposit and GIA Deposit</p>
<ul style="list-style-type: none"> CAISO as an Affected System (Section 14.5) 	<p>Deleted superseded provisions regarding the CAISO as an Affected System</p> <p>Added second paragraph from <i>pro forma</i> LGIP Section 3.6 with limited CAISO-specific changes</p> <p>See also section III.B.2.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Applicability (Section 14.5.1) 	<p>Changed section title from Cost Allocation and Interconnection Financial Security</p> <p>Deleted provisions regarding affected system studies that have been superseded by Order No. 2023</p> <p>Added provisions of <i>pro forma</i> LGIP Section 9.1 with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at P 1113
<ul style="list-style-type: none"> Response to Initial Notification (Section 14.5.2) 	<p>Added provisions of <i>pro forma</i> LGIP Sections 9.2.1 and 9.2.2 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1119-20, 1155; Order No. 2023-A at PP 498, 501</p>
<ul style="list-style-type: none"> Affected System Queue Position (Section 14.5.3) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.3 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1138, 1147</p>
<ul style="list-style-type: none"> Affected System Study Agreement/Multiparty Affected System Study Agreement (Section 14.5.4) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.4 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1154-57, 1159; Order No. 2023-A at P 501</p>
<ul style="list-style-type: none"> Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement (Section 14.5.5) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.5 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1158-62, 1195; Order No. 2023-A at P 499</p>
<ul style="list-style-type: none"> Scope of Affected System Study (Section 14.5.6) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.6 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1160-62</p>
<ul style="list-style-type: none"> Affected System Study Procedures (Section 14.5.7) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.7 with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>In adding the third paragraph of <i>pro forma</i> LGIP Section 9.7, changed the reference to Energy Resource Interconnection Service to a reference to its CAISO equivalent, Energy Only</p> <p>See also Order No. 2023 at PP 1113, 1133-36, 1276</p>
<ul style="list-style-type: none"> Meeting with the CAISO (Section 14.5.8) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.8 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1169</p>
<ul style="list-style-type: none"> Affected System Cost Allocation (Section 14.5.9) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.9 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1149</p>
<ul style="list-style-type: none"> Tender of Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Study Agreement (Section 14.5.10) 	<p>Added provisions of <i>pro forma</i> LGIP Section 9.10 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1165</p>
<ul style="list-style-type: none"> Restudy (Section 14.5.11) 	<p>Added first paragraph of <i>pro forma</i> LGIP Section 9.11 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1113, 1170-71</p>
Miscellaneous (Section 15 and its subsections)	No changes from GIDAP version of these sections
[Not used] (Section 16 and its subsections)	<p>Changed section title from Cluster 14 Unique Procedures</p> <p>Deleted outdated provisions</p>
[Not used] (Section 17 and its subsection)	Changed section title from Cluster 15 Unique Procedures

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
Appendix 1 – Interconnection Request	<p>Removed provisions related to serial Independent Study Process and Off-Peak Deliverability Status</p> <p>Removed outdated provisions regarding evidence of Site Exclusivity</p> <p>See also Order No. 2023 at P 278, 1509, 1519-20</p>
<ul style="list-style-type: none"> Attachment A – Generating Facility Data 	<p>Revised to make changes contained in <i>pro forma</i> LGIP Appendix 1 with limited CAISO-specific changes</p> <p>The CAISO already complies with Order No. 2023 with the exception of distributed modeling information: Distributed Energy Resources interconnect through Wholesale Distribution Access Tariffs</p> <p>See also Order No. 2023 at PP 1509, 1519-20, 1659-60; section III.C.3.a of Transmittal Letter</p>
Appendix 2 – [Intentionally omitted]	No changes from GIDAP version of the appendix
Appendix 3 – Cluster Study Agreement for Queue Clusters	Changed appendix title from Generator Interconnection Study Process Agreement for Queue Clusters
<ul style="list-style-type: none"> Appendix A – [Not used] 	No changes from GIDAP version of the appendix
<ul style="list-style-type: none"> Appendix B – Interconnection Facilities Study Agreement and Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study 	Changed appendix title from Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Added provisions from <i>pro forma</i> LGIP Appendix 3 with limited CAISO-specific changes</p> <p>Included the provisions in this RIS Appendix B to Appendix 3 because the CAISO had included Interconnection Facilities in the Phase I and Phase II Interconnection Studies addressed by GIDAP Appendix 3</p> <p>Added caption to relevant portion of GIDAP Appendix B entitled Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Interconnection Facilities Study</p> <p>Added the last sentence of the first paragraph of <i>pro forma</i> LGIP Section 8.3 with limited CAISO-specific changes, and with the statement that the CAISO and Participating TO will issue a draft Interconnection Facilities Study Report to the Interconnection Customer within 120 days after receipt of an executed Interconnection Facilities Study Agreement</p> <p>See also Order No. 2023 at PP 962, 965; section III.A.2.i of Transmittal Letter</p>
Appendix 4 – Agreement for the Allocation of Responsibilities with Regard to Generator Interconnection Procedures and Interconnection Study Agreements	No changes from GIDAP version of the appendix
<ul style="list-style-type: none"> Attachment A – Interconnection Study Responsibility Allocation 	<p>Revised to include Cluster Study Agreement and Interconnection Facilities Study Agreement instead of Generator Interconnection Study Process Agreement</p> <p>Revised to reference the Cluster Study timeline instead of Phase I Interconnection Study timeline, and revised to reference</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	<p>Interconnection Study process instead of Phase II Interconnection Study process</p> <p>Removed specific timelines, which the CAISO has not used since 2013</p> <p>See also section III.A.2.i of Transmittal Letter</p>
<ul style="list-style-type: none"> Attachment B – Contacts for Notices 	<p>No changes from GIDAP version of the appendix</p>
<p>Appendix 5 – Schedule for Release and Review of Per Unit Costs</p>	<p>Replaced out-of-date components of this schedule</p> <p>See also section III.A.2.i of Transmittal Letter</p>
<p>Appendix 6 (including both appendices thereto) – [Intentionally omitted]</p>	<p>Changed appendix title from Independent Study Process Study Agreement</p> <p>Removed entirety of appendix to reflect elimination of the serial Independent Study Process</p> <p>See also Order No. 2023 at P 278</p>
<p>Appendix 7 – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Converter-Based Small Generating Facility No Larger than 10 kW</p>	<p>No changes from GIDAP version of the appendix</p>
<p>Appendix 8 – [Intentionally omitted]</p>	<p>No changes from GIDAP version of the appendix</p>
<p>Appendix 9 – Certification Codes and Standards</p>	<p>No changes from GIDAP version of the appendix</p>
<p>Appendix 10 – Certification of Small Generator Equipment Packages</p>	<p>No changes from GIDAP version of the appendix</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
Appendix 11 – Two-Party Affected System Study Agreement	<p>Changed appendix title from [Not used]</p> <p>Added provisions of <i>pro forma</i> LGIP Appendix 9 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1192, 1196; section III.B.2.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Appendix A – Assumptions Used in Conducting the Affected System Study 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 9, Attachment A with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1192</p>
Appendix 12 – Multiparty Affected System Study Agreement	<p>Added provisions of <i>pro forma</i> LGIP Appendix 10 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1192-93; section III.B.2.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Attachment A – Assumptions Used in Conducting the Multiparty Affected System Study 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 10, Attachment A with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1192</p>
Appendix 13 – Two-Party Affected System Facilities Construction Agreement	<p>Added provisions of <i>pro forma</i> LGIP Appendix 11 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1231-34, 1236-38, 1241-43, 1247, 1250, 1254; section III.B.2.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Attachment A – Affected System Network Upgrade(s), Cost Estimates and Responsibility, Construction Schedule and Monthly Payment Schedule 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 11, Attachment A with limited CAISO-specific changes</p>

RIS Section	Description of RIS Provisions and Differences from GIDAP Provisions
	See also Order No. 2023 at P 1231
<ul style="list-style-type: none"> Attachment B – Notification of Completed Construction 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 11, Attachment B with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1231</p>
<ul style="list-style-type: none"> Attachment C – Exhibits 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 11, Attachment C with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1231</p>
Appendix 14 – Multiparty Affected System Facilities Construction Agreement	<p>Added provisions of <i>pro forma</i> LGIP Appendix 12 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1231-34, 1250; section III.B.2.a of Transmittal Letter</p>
<ul style="list-style-type: none"> Attachment A – Affected System Network Upgrade(s), Cost Estimates and Responsibility, Construction Schedule, and Monthly Payment Schedule 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 12, Attachment A with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1231</p>
<ul style="list-style-type: none"> Attachment B – Notification of Completed Construction 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 12, Attachment B with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1231</p>
<ul style="list-style-type: none"> Attachment C – Exhibits 	<p>Added provisions of <i>pro forma</i> LGIP Appendix 12, Attachment C with limited CAISO-specific changes</p> <p>See also Order No. 2023 at P 1231</p>

Table 5 – Description of Provisions in the Large Generator Interconnection Agreement for Interconnection Requests Processed Under the Resource Interconnection Standards (RIS LGIA) Contained in New CAISO Tariff Appendix LL, Including Description of Differences Between the RIS LGIA Provisions and the Provisions of the Large Generator Interconnection Agreement for Interconnection Requests Processed Under the Generator Interconnection and Deliverability Allocation Procedures (GIDAP LGIA) Contained in Existing CAISO Tariff Appendix EE

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
Definitions (Article 1)	<p>Added new defined terms Commercial Readiness Deposit and Interconnection Facilities Study Report (with RIS LGIA-specific cross-references), LGIA Deposit (with RIS LGIA-specific cross-references and use of “GIA” rather than “LGIA” in the definition), and Site Control (with limited CAISO-specific changes) contained in Article 1 of <i>pro forma</i> LGIP</p> <p>Revised existing definition of Generating Facility Capacity to match corresponding revisions to that defined term in Article 1 of <i>pro forma</i> LGIA, with limited CAISO-specific change to replace “device” with “Generating Unit”</p> <p>Revised existing definitions of Interconnection Request and Scoping Meeting (with RIS LGIA-specific cross-references) and Material Modification to match corresponding revisions to those defined terms in Article 1 of <i>pro forma</i> LGIA</p> <p>Added new defined terms Electric Reliability Organization (with the addition of a CAISO-specific reference to the Western Electricity Coordinating Council), Interconnection Study (keyed to the CAISO-specific studies), and Scoping Meeting and Withdrawal Penalty (each with limited CAISO-specific changes) contained in Article 1 of <i>pro forma</i> LGIA</p>

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
	<p>Revised existing definitions of Applicable Reliability Standards and Stand Alone Network Upgrades to match corresponding revisions to those defined terms in Article 1 of <i>pro forma</i> LGIA</p> <p>Revised existing definition of Current Cost Responsibility to incorporate defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Revise existing definition of Generator Interconnection Study Process Agreement to set forth the parties to that agreement and where it is found in the CAISO Tariff</p> <p>Revised existing definitions of Maximum Cost Exposure and Maximum Cost Responsibility to remove references to Phase I Interconnection Study and Phase II Interconnection Study</p> <p>Revised existing definitions of Option (A) Generating Facilities and Option (B) Generating Facilities to update cross-references</p> <p>Revised existing definition of Participating TO's Reliability Network Upgrades to replace superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization</p> <p>Revised existing definition of Phase II Interconnection Study to replace it with defined term Interconnection Facilities Study contained in Article 1 of <i>pro forma</i> LGIA with limited CAISO-specific changes</p> <p>Removed existing definition of Applicable Reliability Council to correspond with its removal from Article 1 of <i>pro forma</i> LGIA</p> <p>Removed existing definition of Governing Independent Study Process Interconnection Studies</p>

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
	<p>Removed existing definitions of Interconnection Financial Security and Phase I Interconnection Studies</p> <p>See also Order No. 2023 at PP 192, 460, 583-84, 690, 714, 780, 794, 1735; Order No. 2023-A at PP 141, 167</p>
<ul style="list-style-type: none"> Termination Costs (Article 2.4) 	<p>Replaced superseded references to Interconnection Financial Security with references to the GIA Deposit and updated cross-references to the GIDAP</p>
<ul style="list-style-type: none"> Option to Build (Article 5.1.3) 	<p>Added provisions from <i>pro forma</i> LGIA Article 5.1.3 with limited CAISO-specific changes</p> <p>See also Order No. 2023-A at P 142</p>
<ul style="list-style-type: none"> Power System Stabilizers (Article 5.4) 	<p>Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization</p>
<ul style="list-style-type: none"> (Article 5.5.1) 	<p>Replaced superseded defined terms Phase II Interconnection Study and Governing Independent Study Process Interconnection Study with the defined term Interconnection Facilities Study</p>
<ul style="list-style-type: none"> Suspension (Article 5.16) 	<p>Replaced superseded defined term Phase II Interconnection Study with the defined term Interconnection Facilities Study</p>
<ul style="list-style-type: none"> General (Article 5.19.1) 	<p>Removed superseded provisions regarding reduction in generating capacity</p>
<ul style="list-style-type: none"> Annual Reassessment Process (Article 5.20) 	<p>Updated cross-references</p> <p>Removed reference to superseded Phase II Interconnection Study</p>

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
<ul style="list-style-type: none"> General (Article 7.1) 	<p>Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization</p>
<ul style="list-style-type: none"> Provision of Data from a Variable Energy Resource (Article 8.4) 	<p>Clarified provisions to state that a Generating Facility may contain (rather than be) at least one Variable Energy Resource</p>
<ul style="list-style-type: none"> General (Article 9.1) 	<p>Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization</p>
<ul style="list-style-type: none"> Power Factor Design Criteria (Article 9.6.1) 	<p>Removed provisions related to Interconnection Financial Security</p>
<ul style="list-style-type: none"> Exemptions (Article 9.6.4.3) 	<p>Corrected cross-references to refer to articles rather than sections of the LGIA</p>
<ul style="list-style-type: none"> Electric Storage Resources (Article 9.6.4.4) 	<p>Clarified provisions to state that a Generating Facility may contain (rather than be) an electric storage resource</p> <p>Corrected cross-references to refer to article rather than section of the LGIA</p>
<ul style="list-style-type: none"> Ride Through Capability and Performance (Article 9.7.3) 	<p>Changed article title from Under-Frequency and Over Frequency Conditions in compliance with <i>pro forma</i> LGIA Article 9.7.3</p> <p>Added relevant provisions from <i>pro forma</i> LGIA Article 9.7.3, with removal of references to fast frequency response that are not applicable to the CAISO</p> <p>Updated use of defined term Applicable Reliability Council to Electric Reliability Organization</p>

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
	See also Order No. 2023 at PP 1711, 1718; Order No. 2023-A at P 661; section III.C.3.b of Transmittal Letter
<ul style="list-style-type: none"> (Article 9.7.4.2) 	Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization
<ul style="list-style-type: none"> Power Quality (Article 9.7.6) 	Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization
<ul style="list-style-type: none"> Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities (Article 11.4.1.1) 	<p>Removed out-of-date provisions related to past Queue Clusters</p> <p>Replaced superseded defined term Interconnection Financial Security with the defined term GIA Deposit</p>
<ul style="list-style-type: none"> Repayment of Amounts Advanced Regarding Phased Generating Facilities (Article 11.4.1.2) 	<p>Replaced superseded defined term Interconnection Financial Security with the defined term GIA Deposit</p> <p>Removed out-of-date provisions related to past Queue Clusters</p>
<ul style="list-style-type: none"> Provision of Security (Article 11.5) 	<p>Changed article title from Provision of Interconnection Financial Security</p> <p>Added provisions from <i>pro forma</i> LGIA Article 11.5 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 717-18; section III.A.6.d of Transmittal Letter</p>
<ul style="list-style-type: none"> (Article 11.5.1) 	Replaced superseded defined term Interconnection Financial Security with the term “security”
<ul style="list-style-type: none"> Obligations (Article 13.2) 	Replaced superseded defined term Applicable Reliability Council with the defined term Electric Reliability Organization

RIS LGIA Article	Description of RIS LGIA Provisions and Differences from GIDAP LGIA Provisions
<ul style="list-style-type: none"> Violation of Operating Assumptions for Generating Facilities (Article 17.2) 	<p>Added provisions from <i>pro forma</i> LGIA Section 17.2 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 1509, 1521</p>
Appendix B – Milestones	<p>Added provisions from <i>pro forma</i> LGIA Appendix B with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 583, 605</p>
Appendix H – Interconnection Requirements for an Asynchronous Generating Facility	<p>Removed provisions related to serial Independent Study Process</p> <p>Replaced superseded defined term Phase II Interconnection Study with the defined terms Cluster Study and Interconnection Facilities Study</p>
Appendix I – Operating Assumptions for Generating Facility	<p>Added provisions from Appendix H to <i>pro forma</i> LGIA</p> <p>See also Order No. 2023 at PP 1509, 1521</p>

Table 6 – Description of Provisions in the Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Resource Interconnection Standards (RIS SGIA) Contained in New CAISO Tariff Appendix MM, Including Description of Differences Between the RIS SGIA Provisions and the Provisions of the Small Generator Interconnection Agreement for Interconnection Requests Processed Under the Generator Interconnection and Deliverability Allocation Procedures (GIDAP SGIA) Contained in Existing CAISO Tariff Appendix FF

RIS SGIA Article	Description of RIS SGIA Provisions and Differences from GIDAP SGIA Provisions
<ul style="list-style-type: none"> Articles 1.1 through 1.4 	<p>Added article headings</p>
<ul style="list-style-type: none"> (Article 1.5.7) 	<p>Added provisions from Article 1.5.7 of <i>pro forma</i> SGIA, with removal of references to fast frequency response that are not applicable to the CAISO</p> <p>Updated use of defined term Applicable Reliability Council to Electric Reliability Organization</p> <p>See also Order No. 2023 at P 1711; Order No. 2023-A at P 661; section III.C.3.b of Transmittal Letter</p>
<ul style="list-style-type: none"> (Article 1.8.1) 	<p>Removed provisions related to Interconnection Financial Security</p>
<ul style="list-style-type: none"> Modification of the Small Generating Facility (Article 3.4.5) 	<p>Removed superseded provisions regarding reduction in generating capacity</p>
<ul style="list-style-type: none"> Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities (Article 5.3.1.1) 	<p>Removed out-of-date provisions related to past Queue Clusters</p> <p>Updated use of defined term Interconnection Financial Security to Commercial Readiness Deposit and GIA Deposit</p>
<ul style="list-style-type: none"> Repayment of Amounts Advanced Regarding Phased Generating Facilities (Article 5.3.1.2) 	<p>Removed out-of-date provisions related to past Queue Clusters</p> <p>Updated use of defined term Interconnection Financial Security to Commercial Readiness Deposit and GIA Deposit</p>

RIS SGIA Article	Description of RIS SGIA Provisions and Differences from GIDAP SGIA Provisions
<ul style="list-style-type: none"> • Arrangements for Small Generating Facilities Processed Under the Fast Track Process (Article 6.3) 	<p>Changed article title from Interconnection Financial Security Arrangements for Small Generating Facilities Processed Under the Fast Track Process or Small Generating Facilities Processed Under SGIP</p> <p>Updated cross-reference</p>
<ul style="list-style-type: none"> • (Article 6.3.1) 	<p>Added provisions from <i>pro forma</i> LGIA Article 11.5 with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 717-18</p>
<ul style="list-style-type: none"> • Arrangements for All Other Small Generating Facilities (Article 6.4) 	<p>Changed article title from Interconnection Financial Security Arrangements for All Other Small Generating Facilities</p> <p>Removed references to serial Independent Study Track Process</p>
<ul style="list-style-type: none"> • (Article 6.4.1) 	<p>Updated use of defined term Interconnection Financial Security to GIA Deposit</p>
<ul style="list-style-type: none"> • (Article 6.4.2) 	<p>Remove outdated provisions regarding cure of Default</p>
<p>Definitions (Attachment 1)</p>	<p>Added new defined terms Cluster Study Process (keyed to the CAISO-specific process), Commercial Readiness Deposit, Customer Engagement Window, Electric Reliability Organization (including the addition of a reference to the Western Electricity Coordinating Council), GIA Deposit (defined as the LGIA Deposit in the <i>pro forma</i> LGIP), Interconnection Study (keyed to the CAISO-specific studies), Site Control, and Withdrawal Penalty from Section 1 of <i>pro forma</i> LGIP with limited CAISO-specific changes</p>

RIS SGIA Article	Description of RIS SGIA Provisions and Differences from GIDAP SGIA Provisions
	<p>Revised existing definition of Current Cost Responsibility to incorporate defined terms Commercial Readiness Deposit and GIA Deposit</p> <p>Removed existing definition of Interconnection Financial Security</p> <p>Revised existing definition of Interconnection Request to specify where the provisions relevant to such requests are found in the CAISO Tariff</p> <p>Revised existing definition of Material Modification to match corresponding revisions to that defined terms in Attachment 1 to <i>pro forma</i> SGIA</p> <p>Revised existing definitions of Maximum Cost Exposure and Maximum Cost Responsibility to remove references to Phase I Interconnection Study and Phase II Interconnection Study</p> <p>Revised existing definitions of Option (A) Generating Facilities and Option (B) Generating Facilities to update cross-references</p> <p>Added new defined terms Resource Interconnection Standards and Small Generator Interconnection Agreement</p> <p>See also Order No. 2023 at PP 192, 583-84, 714, 780, 794</p>
Attachment 4 – Milestones	<p>Added provisions from <i>pro forma</i> LGIA Appendix B with limited CAISO-specific changes</p> <p>See also Order No. 2023 at PP 583, 605</p>
Attachment 7 – Interconnection Requirements for an Asynchronous Small Generating Facility	Updated defined terms from NERC to Electric Reliability Organization

RIS SGIA Article	Description of RIS SGIA Provisions and Differences from GIDAP SGIA Provisions
	Removed outdated provisions regarding serial Independent Study Process and Phase II Interconnection Study

Attachment D – Informational Table of Revisions based on Existing GIDAP

Tariff Amendment to Comply with Order No. 2023

California Independent System Operator Corporation

May 16, 2024

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Interconnection Information Access (Heatmap)	135	6.1	3.6	Added to existing section on internet posting / changed “must” to “will” / removed capitalization of Transmission System as the CAISO tariff uses this term generically / removed reference to Network Resource Interconnection Service, which the CAISO does not have
Defined Terms in the LGIP and LGIA	192	App. C	App. A of CAISO tariff ¹	
Definitive Point of Interconnection	200	3.1.2	3.1	Reinstated older FERC <i>pro forma</i> paragraph that had moved to our scoping meeting provision.
Cluster Request Window	223	3.4.1	3.3.1, 3.5.1	Existing “Cluster Application Window” in lieu of Cluster Request Window. CAISO proposes to maintain 15-day submission window and 90-day validation period. Faster than <i>pro forma</i> , and provides sufficient time for the technical back-and-forth conducted in the validation/engagement period. ²
		3.4.4	3.5.2	Added PTO where relevant. Maintained examples of deficiencies.
		3.4.5 7.1 7.2	3.5	Changed OASIS to CAISO website. Revised (5) to specify deliverability status. Slight revisions to Cluster Study Agreement language to recognize online process for tender and execution.

¹ The CAISO’s proposed definition of Electric Reliability Organization expressly includes NERC and WECC because historically the CAISO interconnection tariff provisions referred to WECC, and the Commission clarified that regional entities were included in the definition. (P 1735).

² In Docket No. ER19-1013-000, the CAISO explained how the CAISO and stakeholders developed a specific, iterative review of interconnection requests for transparency, speed, and clarity. The Commission approved the tariff revisions by letter order on April 1, 2019.

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Scoping Meeting	245	3.4.6	3.5.2; 6.1.2	Removed CAISO's provision for individual-customer scoping meetings. Specified non-disclosure agreement is existing base case NDA.
Metrics	259	3.5.2	3.6.1	
		3.5.2.1	3.6.1.1	Updated time to 150 days; updated to reflect Cluster Study
		3.5.2.2	3.6.1.2	Added new language for Cluster Restudy
		3.5.2.3	3.6.1.2	Updated language to reflect new Facilities Studies process and remove previous Phase II study timeline
Interconnection Request Evaluation Process	276	App. C	App. A	
	276	4.1	6.1.3	CAISO had similar provision, but included 4.1.1 and 4.1.2 provisions in 6.1.3 for transparency.
	278	4.2	4 and 5 App. 6 to GIDAP	CAISO removed serial independent study provisions. Moved portions of 4.6 on interim deliverability that applied/apply to cluster projects to 8.9.7.
	283	4.4	6.7.2.1	Removed POI-change provision and replaced with <i>pro forma</i> , but with end of engagement window as deadline.
	285	4.4.1	6.7.2.2	Struck provisions for requesting permissible changes between studies to conform to <i>pro forma</i> (pre-Cluster Study Agreement). Added plant increase provision.
	293	4.4.5	3.5.1.4	Added <i>pro forma</i> language on permissible extensions. Added clarifying language to existing first paragraph to specify initial interconnection request limit.

SUBJECT	ORDER ¶ <i>et seq.</i>	PRO FORMA LGIP §	RIS §	NOTES
Cluster Study Provisions	316	7.3	6.2	Made revisions throughout GIDAP to reflect change of Phase II study to Interconnection Facilities Study. ³ Removal, or change to Cluster Study or Interconnection Facilities Study, depended on context of reference. CAISO provides specific breakdown of facilities and cost responsibility in lieu of <i>pro forma</i> LGIP's general requirement.
	322	7.4	6.7	Removed CAISO's individual Phase I/cluster results meetings with FERC <i>pro forma</i> .

³ 2.3 and 2.4 (describing interconnection process generally), 6.7.1 (describing COD feasibility review at individual results meetings—also removed—between Phase I and Phase II studies), 6.8.3 (errors or omissions found in any study report), 7 (activities before Phase II, now the Interconnection Facilities Study), 8 (describing Phase II, now the Interconnection Facilities Study)

Elements of Phase II removed or moved: 8.1.2 was removed: unnecessary provision redundant with RNU/DNU distinction; 8.1.3 was removed: redundant with language in Phase I/Cluster Study language in 6.2; 8.1.4 was moved to cluster study (6.3.2.3); 8.2 provisions regarding ADNUs for Option (B) customers moved to reassessment in 7.5; other provisions in 8.2 – 8.4 removed: redundant with language in Phase I/Cluster Study language in 6.3.

SUBJECT	ORDER ¶ <i>et seq.</i>	PRO FORMA LGIP §	RIS §	NOTES
		8.1, 8.2, 8.3 8.4, Attachment A to Appendix 4	7, 8.1.1 - 8.1.3, 8.4, Appendix B	<p>Added interconnection facilities study agreement to Appendix B and made prior Appendix B data form an attachment to it, including facilities election.</p> <p>Removed prior Appendix B submission timelines in GIDAP Section 7 in favor of new timelines in GIDAP 8.1.1 (from <i>pro forma</i> 8.1).</p> <p>CAISO also provides cost caps in Interconnection Facilities Study in lieu of non-binding estimates.</p> <p>CAISO removed PTO schedules in Attachment A to Appendix 4. Schedules were anachronistic and level of detail is not required in tariff by Order No. 2023.</p>
Restudies	316; 335	7.5	7.4.1	<p>Included Cluster Restudy into existing annual reassessment of entire queue. Cannot accommodate serial restudies <i>ad hoc</i>.</p> <p>Struck middle sentence of <i>pro forma</i> 7.5(4) because subsequent changes will be captured in annual reassessment per 7.4 of GIDAP.</p> <p>Combined 30 day-determination + 150-day restudy periods to require reassessment in 180 days from Cluster Study Report Meeting.</p>

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
		8.5	8.6	Restudy of results provided in Interconnection Facilities Studies will be provided via annual reassessment. CAISO will conduct Interconnection Facilities Studies in 120 days. CAISO uses per unit costs for all facilities and not cost accuracy % estimates. ⁴
Timing of LGIA Tender	344	11.1	13.1.1	CAISO does not have separate SGIP and LGIP, so LGIA references generalized to GIA.
		11.2	13.2	CAISO's negotiation provision was based on Phase II study, was not dependent on affected systems, and had different timelines. Revised to conform to <i>pro forma</i> to adopt other changes regarding tender, negotiation, and execution. ⁵
		11.2.1	13.2.1	Because CAISO's affected systems will not be subject to Order No. 2023 timelines, CAISO has created equivalent maximum delay to execution of GIA. This will avoid incentivizing ICs to delay affected system process to delay GIA execution and financial postings.
Cluster Subgroups	363	4.2; 7.4	6.1.3	CAISO already had subgroup ("Group Study") language. Added the only delta: requiring the CAISO to publish the criteria online. CAISO also clarified when Group Study referred to cluster or subgroup within cluster.

⁴ Section 6.4 of Appendix DD to the CAISO tariff; *California Independent System Operator Corp.*, 124 FERC ¶ 61,292 (2008). The CAISO updated the timeline for the per unit cost guide in Appendix 5 to the RIS.

⁵ CAISO also removed provision in Section 8.9.4 of GIDAP that prevents "parked" projects from receiving draft GIA. Would circumvent Order No. 2023 timelines for tender/execution.

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Allocation of Cluster Study Costs	416	13.3	3.5.1.2	Removed existing allocation language. Added order language + 50% per capita and 50% pro rata. Offsets for reassessment no longer provided by non-refundable site exclusivity deposit, but instead withdrawal penalties.
Allocation of Cluster NU Costs and IFs	453 461	4.2.1	6.3	<p>The CAISO has existing tariff provisions related to the methodology used for determining cost allocation of specific network upgrade types. These align with similar types of network upgrades in the pro forma section, though are differently named/categorized by the CAISO:</p> <ul style="list-style-type: none"> - Substation Network Upgrades = IRNUs = per capita allocation - System Network Upgrades = GRNUs/DNUs = pro rata (proportional impact) - Interconnection Facilities = per capita [The CAISO is proposing new Section 6.3.3 to use pro forma language around interconnection facilities for avoidance of doubt]. <p>Additionally, the CAISO does not have transmission credits.</p>
Increased Study Deposits	502	3.4.2(i)	3.5(i)	Applicable study deposit
		3.1.1.1	3.5.1.1	Adopted as in <i>pro forma</i> from Order No. 2023-A; removed language about refundability, as now covered in new language in Section 3.8
		8.1.1 (language removed)	N/A	Not in GIDAP
		Appendix 3, Article 5 (language removed)	N/A	Not in GIDAP

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES	
Site Control	583	3.4.2	3.5.1(iii)		
			3.5.1 last paragraph	Struck provisions related to use of site exclusivity deposit.	
			3.5.1.3	Included language about maintaining site control + site control deposit use (rearranged); updated internal references Maintained language about interest-bearing account	
				3.5.1.2	Removed “deemed withdrawn” for failing to demonstrate Site Control within 180 days of LGIA – this is handled under default section of LGIA.
		3.7		3.8	Added language about refunding Site Control deposit
				6.7.4	Amended commercial viability criteria to use Site Control instead of Site Exclusivity
		8.1		8.1.1	Requires 100% of Site Control before facilities study
		11.3		13.3	New language for Site Control at time of execution and filing of LGIA
				LGIA: Appendix B	Added milestone for ICs with qualifying regulatory limitations, but updated references to CAISO tariff
				SGIA: Attachment 4	Added milestone for ICs with qualifying regulatory limitations, but updated references to CAISO tariff
Commercial Readiness	690	3.4.2	3.5.1	Added commercial readiness as subsection (xi); updated internal references. Added reference to Section 11.1 where the CAISO already describes acceptable forms of deposits.	
			7.5	7.4 et seq.	Language added as part of cluster study restudy
			8.1	8.1.1	Language added with section references updated
			11.3	13.3	

SUBJECT	ORDER ¶ <i>et seq.</i>	PRO FORMA LGIP §	RIS §	NOTES
			2.4.3.1, 2.4.3.4, 6.7.2.6, 6.7.2.7, 6.7.3, 6.7.4, 6.8.2, 7.2, 7.3, 7.4.3, 8.9.3, 8.9.3.2, 9.4, 10.1, 14.2.2, 14.3.1	Removed references to Interconnection Financial Security (“IFS”) or IFS-specific provisions, revise terminology to refer to Commercial Readiness Deposit (and GIA Deposit where appropriate)
			7.4.3(v)	Removed language about adjusting IFS based on current cost responsibility – Commercial Readiness Deposit/GIA Deposit calculated at time due.
			8.9.4	Removed need for second posting to come out of parking because GIA deposit follows GIA execution
			11	Retained forms of Commercial Readiness Deposit Moved language from 7.6 regarding depositing cash in an interest-bearing account.
			3.5.1.5, 3.7.1	Changed various references to IFS to corresponding timeframe triggers Events triggered by first IFS are now within 20 days after Cluster Study Report Mtg. Identifying customers who have posted their first IFS is now customers who have posted their additional Commercial Readiness Deposit up to 5% of upgrades

SUBJECT	ORDER ¶ <i>et seq.</i>	PRO FORMA LGIP §	RIS §	NOTES
			6.8.3, 6.8.4, 8.9.2.2	Maintained IFS for Clusters 14 and previous
			14.4.1	Changed posting of IFS to multiple PTOs: Commercial Readiness Deposit + GIA Deposit both posted to all based on separate cost responsibilities
LGIA Deposit	714	11.3	13.3	Updated to match order – LGIA deposit is now GIA deposit to cover both LGIA and SGIA
	718	11.5 of LGIA	11.5 of GIA	
			SGIA 6.4.1	Changes references to Interconnection Financial Security to GIA Deposit, as applicable; Added language from LGIA <i>pro forma</i> requiring transmission owner to use GIA Deposit before requiring additional security.
			Definitions in GIA, 2.4 of GIA, 9.6.1 of GIA, 11.4.1.1 of GIA, 11.5.1 of GIA	Removed references to Interconnection Financial Security and replaced with GIA Deposit as appropriate
Withdrawal Penalties	780	3.7	3.8	Added in some additional pro forma language surrounding new changes to describe what the CAISO will do in case of a withdrawal.
		3.7.1	3.8.1	

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
		3.7.1.1	3.8.1.1	<p>Calculation of first withdrawal period (during cluster study) done at end of cluster study—CAISO does not have withdrawals during cluster study and change is consistent with current timeframe for study costs</p> <p>Added language from 11.4.2.5 to new section 3.8.2, describing notification to CAISO of liquidation</p>
	800	3.7.1.2		Omitted 3.7.1.2-3.7.1.2.5. The CAISO seeks an independent entity variation, utilizing existing tariff language for the disbursement of non-refundable deposits to offset network upgrade costs for those interconnection customers remaining in queue.
			7.6	Revised disbursement of non-refundable funds to reflect new terminology for Withdrawal Penalties
			6.8.4	Maintained refundability of Commercial Readiness Deposit and Study Deposit for substantial errors or omissions, but updated terminology.
Elimination of Reasonable Efforts	962	2.2, 3.5.4(i), 7.4, 8.3, Attachment A to Appendix 4	2.2, 3.5.3, 3.6.3, 6.6, App. 4	<p>CAISO and PTOs did not rely on reasonable efforts standard, but removed any references for transparency.</p> <p>Removed specific timelines in App. 4. In event of new PTO, CAISO will fill-in timelines in Attachment per procedures at the time.</p>
		3.9	3.11	Applied to Participating TOs per ¶ 995. Added sentence requiring Participating TOs to notify CAISO of penalties so CAISO can maintain reports on its Website. ⁶

⁶ CAISO tariff refers to FERC where *pro forma* refers to “the Commission.” Avoids confusion with the California Public Utilities Commission, which also refers to itself as “the Commission.”

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Affected System	1112	1	App. A	
	1113	9	14.5	Minor modifications to reflect that the affected Participating TOs conduct the affected system studies. ERIS described as Energy Only, the equivalent CAISO term. ⁷
	1119	3.6	3.7	CAISO has revised process to the extent possible, but retains some elements due to prevalence of non-jurisdictional affected systems. Maintains trigger of affected system notification as first financial requirement to ensure smaller pool, consistent with Order No. 2023. ⁸ Provisions regarding CAISO responsibilities when it is the affected system are in 14.5.
	1192	App. 9	App. 11	
		App. 10	App. 12	
	1231	App. 11	App. 13	
		App. 12	App. 14	
Co-located Facilities	1346	3.1.2	3.1	Does not represent a change in practice for the CAISO, which has already studied and interconnected numerous hybrid and co-located resources.
Additional Generation	1406	4.4.3	6.7.2.8	
	1417	4.4.1, 4.4.2	6.7.2.2	CAISO re-inserted <i>pro forma</i> 4.4.2 to specify permitted modifications before Interconnection Facilities Study Agreement

⁷ The CAISO included Sections 9.2.1 and 9.2.2 of the *pro forma* LGIP into the consolidated 14.5.2.

⁸ CAISO already includes affected systems with all restudy/reassessment reports. Because cluster restudy is a given, CAISO omitted Sections 3.6.2 and 3.6.3 of the *pro forma* LGIP because they would not give affected systems any information not already known.

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Surplus Interconnection Service	1436	3.3.1	3.4	Added language regarding post-GIA availability. Removed Independent Study language, although ICs still may transfer surplus interconnection service as modification, pursuant to non-conforming provisions approved in Order No. 845.
Operating Assumptions	1509	3.1.2	3.1	
		3.2.1.2	2.4.3.1	
		3.2.2.2	6.3.2.1	Wording changed slightly to adapt to existing provision. No policy change from Order No. 2023.
		3.3.3.1	3.4	
		3.4.2	3.5.1	
		4.4.3	6.7.2.2	
		7.3	6.2	
		8.2	8.1.2	
		App. 1	App. A to Att. 1	
		LGIA 17.2	LGIA 17.2	
	LGIA App. H	LGIA App. I		
GETs	1578	7.3	6.2	
		SGIP 3.3.6	N/A	CAISO does not have SGIP.
		SGIP 3.4.10		
Modeling Requirements	1659	Att. A to App. 1	Att. A to App. 1	Distributed energy resources interconnect through wholesale distribution access tariffs, not the CAISO tariff. CAISO uses GE software and does not perform electromagnetic transient study.
			Att. 2 to SGIP	N/A	CAISO does not have SGIP.
	1660	4.4.4	6.7.2.3	
			SGIP 1.4	N/A	CAISO does not have SGIP.

SUBJECT	ORDER ¶ et seq.	PRO FORMA LGIP §	RIS §	NOTES
Ride-though Requirements	1711	LGIA 9.7.3	LGIA 9.7.3	CAISO removed references to fast frequency response because CAISO does not have that product.
		SGIA 1.5.7	SGIA 1.5.7	
Other	N/A	N/A	LGIA 5.19	Anachronistic paragraph removed. Cross-references provision removed previously.
	1771	LGIA 8.4	LGIA 8.4	

**Attachment E – Informational Red-line Comparison of Appendices KK, LL and MM (RIS
and GIAs) and Appendices DD, EE and FF (GIDAP and GIAs)**

Tariff Amendment to Comply with Order No. 2023

California Independent System Operator Corporation

May 16, 2024

Appendix ~~DD~~KK

~~Generator Interconnection and Deliverability Allocation Procedures~~Resource Interconnection Standards (GIDAPRIS)

Table of Contents

Section 1 Objectives And Applicability	6
1.1 Objectives and Applicability	6
1.2 Definitions	6
1.3 Pre-Application	6
Section 2 Scope and Application	7
2.1 Application of Generator Interconnection Procedures	7
2.2 Comparability	7
2.3 Interconnection Base Case Data	8
2.4 Interconnection Service and Studies	9
2.4.1 No Applicability to Transmission Service.	9
2.4.2 The Product	9
2.4.3 The Interconnection Studies	9
Section 3 Interconnection Requests	11
3.1 General	11
3.2 Roles and Responsibilities	12
3.3 Timing for Submitting Interconnection Requests	12
3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster	12
3.3.2 Timing for Submitting Interconnection Requests for Fast Track Process	13
3.5 Processing of Interconnection Requests	14
3.5.1 Initiating an Interconnection Request	14
3.5.2 Customer Engagement Window	20
3.5.3 Day-for-day Extensions	22
3.6 Internet Posting	22
3.7 Coordination with Affected Systems	26
3.7.1 Timing for Identification of Identified Affected Systems	27
3.8 Withdrawal	27
3.9 Transferability of Interconnection Request	29
Section 4 [Not used.]	32
Section 5 Fast Track Process	39
5.1 Applicability and Initiation of Fast Track Process Request	39
5.2 Initial Review	40
5.2.1 Screens	40
5.3 [Not Used]	41
5.4 Customer Options Meeting	41
5.5 Supplemental Review	42
Section 6 Cluster Study Process	44
6.1 Initial Activities Following the Close of the Cluster Application Window	45
6.1.1 [Intentionally Omitted]	45
6.1.2 Scoping Meeting	45
6.1.3 Grouping Interconnection Requests	46
6.2. Scope and Purpose of Cluster Study	47
6.3 Identification of and Cost Allocation for Network Upgrades	48
6.3.1 Reliability Network Upgrades (RNUs)	48
6.3.2 Delivery Network Upgrades	49
6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs	52
6.5 Assigned and Contingent Facilities	52
6.6 Cluster Study Procedures	52
6.7 Cluster Study Report Meeting	53
6.7.1 [Not used]	53
6.7.2 Modifications	54
6.7.3 [Not Used]	59
6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue	59
6.7.5 Alignment with Power Purchase Agreements	61
6.8 Revisions and Addenda to Final Interconnection Study Reports	61

6.8.1	Substantial Error or Omissions; Revised Study Report	61
6.8.2	Other Errors or Omissions; Addendum.....	61
6.8.3	Only Substantial Errors or Omissions Adjust Posting Dates.....	62
Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for the Interconnection Facilities Study.....		62
7.1	[Not Used].....	63
7.2	Full/Partial Capacity Deliverability Options for Interconnection Customers	63
7.3	[Not Used].....	63
7.4	Reassessment Process	63
7.5	Option (B) Customers.....	66
7.6	Application of Withdrawal Penalties and Non-Refundable Amounts.....	67
Section 8 Interconnection Facilities Study and TP Deliverability Allocation Processes.....		69
8.1	Interconnection Facilities Study.....	69
8.1.1	Interconnection Facilities Study Agreement	69
8.1.2	Scope of the Interconnection Facilities Study	70
8.1.3	[Not used.].....	71
8.1.4	[Not used.].....	71
8.1.5	[Not used.].....	72
8.2	[Not used.].....	72
8.3	[Not Used.].....	73
8.4	[Not Used.].....	73
8.5	Interconnection Facilities Study Procedures.....	74
8.6	Interconnection Facilities Restudy	75
8.7	Results Meeting With the CAISO and Applicable PTO(s)	75
8.8	[Intentionally Omitted].....	76
8.9	Allocation Process for TP Deliverability	76
8.9.1	First Component: Representing TP Deliverability Used by Prior Commitments	76
8.9.2	Second Component: Allocating TP Deliverability.....	77
8.9.3	Retaining TP Deliverability Allocation.....	81
8.9.4	Parking for Option (A) Generating Facilities	82
8.9.5	Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities	83
8.9.6	Declining TP Deliverability Allocation.....	84
8.9.7	Interim Deliverability.....	84
8.9.8	Updates to Interconnection Study Results	84
8.9.9	Deliverability Transfers.....	85
Section 9 Additional Deliverability Assessment Options		85
9.1	[Intentionally Omitted].....	85
9.2	[Intentionally Omitted].....	85
9.3	PTO Tariff Option for Full Capacity Deliverability Status.....	85
9.4	Deliverability from Non-Participating TOs	85
Section 10 Cost Responsibility for Interconnection Customers		86
10.1	Interconnection Customers in a Queue Cluster.....	86
10.2	[Not Used].....	87
Section 11 Commercial Readiness Deposit and GIA Deposit.....		88
11.1	Types of Commercial Readiness Deposit and GIA Deposit	88
Section 12 Engineering & Procurement (“E&P”) Agreement.....		101
Section 13 Generator Interconnection Agreement (GIA).....		102
13.1	Tender	102
13.2	Negotiation.....	102
13.3	Execution and Filing.....	104
13.4	Commencement of Interconnection Activities	104
13.5	Interconnection Customer to Meet PTO Handbook Requirements	104
Section 14 Construction and Neighboring System Impacts		104
14.1	Schedule.....	104
14.2	Construction Sequencing.....	105

14.2.1	General.....	105
14.2.2	Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer.....	105
14.2.3	Advancing Construction of Network Upgrades that are Part of the CAISO's Transmission Plan.....	106
14.2.4	Limited Operation Study	106
14.3	Network Upgrades.....	107
14.3.1	Initial Funding	107
14.3.2	Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security	108
14.4	Special Provisions for Affected Systems, Other Affected PTOs.....	111
14.4.1	Cost Allocation, Commercial Readiness Deposit, GIA Deposit, and Reimbursement for Multiple Participating TOs	111
14.5	CAISO as an Affected System.....	111
Section 15 Miscellaneous.....		115
15.1	Confidentiality	116
15.1.1	Scope.....	116
15.1.2.	Release of Confidential Information.....	116
15.1.3	Rights.....	116
15.1.4	No Warranties.....	117
15.1.5	Standard of Care.....	117
15.1.6	Order of Disclosure.....	117
15.1.8	Disclosure to FERC, its Staff, or a State.....	117
15.2	Delegation of Responsibility	118
15.3	[Not Used].....	118
15.4	[Not Used].....	118
15.5	Disputes.....	118
15.5.1	Submission.....	119
15.5.2	External Arbitration Procedures	119
15.5.3	Arbitration Decisions	119
15.5.4	Costs.....	120
15.6	Local Furnishing Bonds	120
15.6.1	Participating TOs that Own Facilities Financed by Local Furnishing Bonds	120
15.6.2	Alternative Procedures for Requesting Interconnection Service.....	120
15.7	Change in CAISO Operational Control.....	121
Appendix 1 Interconnection Request INTERCONNECTION REQUEST.....		124
Attachment A Generating Facility Data GENERATING FACILITY DATA.....		127
Appendix 2 [Intentionally Omitted].....		135
Appendix 3 CLUSTER STUDY AGREEMENT FOR QUEUE CLUSTERS		136
Appendix A [NOT USED].....		141
Appendix B INTERCONNECTION FACILITIES STUDY AGREEMENT AND.....		142
DATA FORM TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER PRIOR TO COMMENCEMENT OF THE INTERCONNECTION FACILITIES STUDY		142
Appendix 4	AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS.....	146
ATTACHMENT A INTERCONNECTION STUDY RESPONSIBILITY ALLOCATION		152
ATTACHMENT B CONTACTS FOR NOTICES.....		157
Appendix 5	Schedule for Release and Review of Per Unit Costs	158
Appendix 6	[Intentionally Omitted]	159
Appendix 7	Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process").....	167
Appendix 8	[intentionally omitted].....	175
Appendix 9	Certification Codes and Standards	176
Appendix 10	Certification of Small Generator Equipment Packages	177
APPENDIX 11	.....	178

Attachment A to Appendix 11.....	180
APPENDIX 12.....	181
Attachment A to Appendix 12.....	184
APPENDIX 13.....	185
Attachment A to Appendix 13.....	199
Attachment B to Appendix 13.....	201
Attachment C to Appendix 13.....	202
APPENDIX 14 TO RIS.....	203
Attachment A to Appendix 14.....	218
Attachment B to Appendix 14.....	220
Attachment C to Appendix 14.....	221

Section 1 Objectives And Applicability

1.1 Objectives and Applicability

The objective of ~~this these~~ Generation Interconnection and Deliverability Allocation Procedures Resource Interconnection Standards (GIDAPRIS) is to implement the requirements for both Small and Large Generating Facility interconnections to the CAISO Controlled Grid and to provide a process for allocating Transmission Plan Deliverability for Interconnection Requests starting with Queue Cluster 15 and for subsequent Queue Clusters. This ~~GIDAPRIS~~ applies to Interconnection Requests that are either assigned to Queue Cluster 15 and subsequent Queue Clusters, or submitted for the ~~Independent Study Process, or~~ Fast Track Process after ~~July 25, 2012~~ the RIS is effective. The exception to this rule of limited applicability is the annual reassessment process set forth in Section 7.4, which ~~shall will~~ apply to all CAISO Interconnection Customers in Queue Clusters.

1.2 Definitions

Unless the context otherwise requires, any word or expression defined in the Master Definitions Supplement, Appendix A to the CAISO Tariff, will have the same meaning where used in this GIDAPRIS. References to the GIDAPRIS are to this Appendix DDKK.

1.3 Pre-Application

1.3.1 An Interconnection Customer with a proposed Small Generating Facility may submit a formal written request form along with a non-refundable fee of \$300 to the CAISO for a pre-application report on a proposed project at a specific site. The CAISO shall provide the pre-application data described in Section 1.3.2 to the Interconnection Customer within twenty (20) Business Days of receipt of the completed request form and payment of the \$300 fee. The CAISO shall coordinate with the Participating TO to complete the pre-application report. At the request of the CAISO, the Participating TO shall provide any readily available information necessary to complete the pre-application report. Readily available information shall mean information that the Participating TO currently has on hand. The Participating TO is not required to create new information but is required to compile, gather, and summarize information that it has on hand in a format that presents the information in a manner that informs the Interconnection Customer regarding issues related to its proposed Small Generating Facility. If providing any item in the pre-application report would require the Participating TO to perform a study or analysis beyond gathering and presenting existing information, then the information shall be deemed not readily available. The pre-application report produced by the CAISO is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the CAISO's system. The written pre-application report request form shall include the information in Sections 1.3.1.1 through 1.3.1.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection that is under CAISO operational control.

1.3.1.1 Project contact information, including name, address, phone number, and email address.

1.3.1.2 Project location (street address with nearby cross streets and town).

1.3.1.3 Single proposed Point of Interconnection that is either an existing substation or a transmission line under CAISO operational control.

1.3.1.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

- 1.3.1.5 Size (alternating current kW/MW)
 - 1.3.1.6 Single or three phase generator configuration
 - 1.3.1.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
 - 1.3.1.8 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/MW (if available) and specify if the load is expected to change.
- 1.3.2 Subject to Section 1.3.1, the pre-application report will include the following information:
- 1.3.2.1 Electrical configuration of the substation, including information of transmission lines terminating in the substation, transformers, buses and other devices, if the proposed Point of Interconnection is a substation.
 - 1.3.2.2 Existing aggregate generation capacity (in MW) interconnected to a substation or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
 - 1.3.2.3 Aggregate queued generation capacity (in MW) for a substation or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
 - 1.3.2.4 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit issues, instability issues, facility loading issues, or voltage issues.
 - 1.3.2.5 Available capacity on a substation or circuit likely to serve the proposed Point of Interconnection.
- 1.3.3 The pre-application report need only include existing data. A pre-application report request does not obligate the CAISO to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the CAISO cannot complete all or some of a pre-application report due to lack of available data, the CAISO shall provide the Interconnection Customer with a pre-application report that includes the data that is available. 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 section, the CAISO shall, in good faith, include data in the pre-application report that represents the best available information at the time of reporting.

Section 2 Scope and Application

2.1 Application of Generator Interconnection Procedures

~~Sections 2 through 15~~ This RIS applies to processing an Interconnection Request pertaining to a Generating Facility that is either: (i) assigned to Queue Clusters 15 and subsequent Queue Clusters, or (ii) ~~included in the Independent Study Process, or (iii)~~ included in the Fast Track Process, after ~~July 25, 2012 pursuant to the terms of this CAISO Tariff for the performance of its Interconnection Studies~~ the RIS is effective.

2.2 Comparability

The CAISO shall receive, process, and analyze Interconnection Requests in a timely manner as set forth in this GIDAPRIS. The CAISO will ~~use the same Reasonable Efforts in processing and analyzing~~ Interconnection Requests from all Interconnection Customers as set forth in this GIDAPRIS, regardless of whether the Generating Facilities are owned by a Participating TO, its subsidiaries, or Affiliates or others.

2.3 Interconnection Base Case Data

For each Interconnection Study Cycle, the CAISO, in coordination with applicable Participating TO(s), shall maintain updated Interconnection Base Case Data, including, as applicable, separate Interconnection Base Case Data for each ~~Group Study~~Cluster Study to reflect system conditions particular to the ~~Group Study~~Cluster Study, to a secured section of the CAISO Website. Interconnection Base Case Data will represent the network model and underlying assumptions used during the most recent Interconnection Study and represent system conditions in the near term planning horizon.

The CAISO will update and publish the Interconnection Base Case Data prior to the Cluster Study, after the Cluster Study, before the annual reassessment, and after the annual reassessment to reflect new and withdrawn Interconnection Requests and resulting changes to identified transmission upgrades as applicable.;

- ~~(1) — prior to the Phase I Interconnection Study with the Generation reflected in valid Interconnection Requests for the Interconnection Study Cycle, as well as all Generation reflected in the Interconnection Requests in the Independent Study Process that entered the CAISO's interconnection queue prior to the creation of the Base Case, along with any associated transmission upgrades or additions;~~
- ~~(2) — after the Phase I Interconnection Study with the Generation reflected in valid Interconnection Requests submitted in the Cluster Application Window for the Interconnection Study Cycle, and the identified preliminary transmission upgrades or additions, as well as all Generation reflected in the Interconnection Requests in the Independent Study Process that entered the CAISO's interconnection queue prior to the creation of the Base Case, along with any associated transmission upgrades or additions;~~
- ~~(3) — prior to the Phase II Interconnection Study, including all remaining Generation from the Phase I Interconnection Study for the Interconnection Study Cycle, as well as all Generation reflected in the Interconnection Requests in the Independent Study Process that entered the CAISO's interconnection queue prior to the creation of the Base Case, along with any associated transmission upgrades or additions; and~~
- ~~(4) — after the Phase II Interconnection Study, including all remaining Generation from the applicable Phase I Interconnection Study and the identified transmission upgrades and additions for the Interconnection Study Cycle, as well as all Generation reflected in the Interconnection Requests in the Independent Study Process that entered the CAISO's interconnection queue prior to the creation of the Base Case, along with any associated transmission upgrades or additions.~~

Interconnection Base Case Data shall include information subject to the confidentiality provisions in Section 15.1.

The CAISO shall require current and former Interconnection Customers, Market Participants, and electric utility regulatory agencies within California to sign a CAISO confidentiality agreement and, where the current or former Interconnection Customer or Market Participant is not a member of WECC, or its successor, an appropriate form of agreement with WECC, or its successor, as

necessary. All other entities or persons seeking Interconnection Base Case Data must satisfy the foregoing requirements as well as all requirements under 18 C.F.R. Section 388.113 for obtaining the release of Critical Energy Infrastructure Information (as that term is defined by FERC). The CAISO will maintain a link on OASIS to the secured section of the CAISO website with the Interconnection Base Case Data.

2.4 Interconnection Service and Studies

2.4.1 No Applicability to Transmission Service.

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

2.4.2 The Product.

Interconnection Service allows the Interconnection Customer to connect the Generating Facility to the CAISO Controlled Grid and be eligible to deliver the Generating Facility's output using the available capacity of the CAISO Controlled Grid. Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or point of delivery or rights to any specific MW of available capacity on the CAISO Controlled Grid.

2.4.3 The Interconnection Studies.

For Interconnection Requests in Queue Cluster 15 and subsequent Queue Clusters, the Interconnection Studies consist of a ~~Phase I Interconnection Cluster~~ Study, an annual reassessment ~~conducted prior to the commencement of a Phase II Interconnection Study, and an Phase II Interconnection Facilities Study, and any updates to the Phase II Interconnection Study report~~ to reflect the results of a reassessment conducted after the TP Deliverability allocation process for the Queue Cluster.

~~For Interconnection Requests processed under the Independent Study Process, the Interconnection Studies consist of a system impact and facilities study, and, as applicable to Full Capacity or Partial Capacity Deliverability Status, Phase I and Phase II Interconnection Studies and a reassessment.~~

2.4.3.1 The ~~Phase I Interconnection Cluster~~ Studies

The ~~Phase I Interconnection Cluster~~ Studies for Queue Cluster Generating Facilities will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The ~~Phase I Interconnection Cluster~~ Studies will identify direct Interconnection Facilities and required Reliability Network Upgrades necessary to interconnect the Generating Facility, mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service. The stability and steady state studies will identify necessary upgrades to allow full output of the proposed Generating Facility, except for Generating Facilities that include at least one electric storage resource that request to use operating assumptions pursuant to Section 3.1, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions, and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Generating Facility without requiring additional Network Upgrades. The ~~Phase I Interconnection Cluster~~ Studies will also identify LDNUs and LOPNUs for Generating Facilities, ~~including those being processed under the Independent Study Process,~~ that have selected Full Capacity, Partial and

Capacity Deliverability Status, ~~and Off-Peak Deliverability Status~~, as applicable. Such Network Upgrades shall be identified in accordance with the Deliverability Assessments set forth in Section 6.3.2. The ~~Phase I Interconnection Cluster~~ Studies will also provide cost estimates for ADNUs ~~and AOPNUs~~, as described in Section 6.3.2. The ~~Phase I Interconnection Cluster~~ Study report shall include cost estimates for RNUs, LDNUs, ~~and ADNUs, LOPNUs, AOPNUs, and Participating TO Interconnection Facilities that shall, as applicable, establish the basis for the initial Interconnection Financial Security postings under Section 11.2.~~

2.4.3.2 The Reassessment ~~Prior to Phase II Interconnection Studies~~

Before ~~undertaking the Phase II Interconnection Studies~~ each Cluster Study, the CAISO will conduct a reassessment, as specified in Section 7.4, to conform the Base Case and Interconnection Base Case Data to account for later conditions since the CAISO performed the ~~Phase II Interconnection Cluster~~ Study in the prior Interconnection Study Cycle.

2.4.3.3 The ~~Phase II Interconnection Facilities Studies~~

~~After the Cluster Study, the CAISO and Participating TO will conduct the Interconnection Facilities Study to determine a list of facilities (including the Participating TO's Interconnection Facilities and Network Upgrades as identified in the Cluster Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of this RIS. The Phase II Interconnection Studies will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses, and will identify direct Interconnection Facilities and required RNUs necessary to interconnect the Generating Facility, mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service. The Phase II Interconnection Studies shall identify LDNUs and LOPNUs for Generating Facilities participating in Phase II (including those being processed under the Independent Study Process) that have elected Full Capacity, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status, as applicable, and ADNUs for Interconnection Customers selecting Option (B) in accordance with Section 7.2.~~

~~The Phase II Interconnection Study report shall also set forth the applicable cost estimates for RNUs, LDNUs, ADNUs, LOPNUs, and AOPNUs, and Participating TO Interconnection Facilities that shall, as applicable, establish the basis for the second and third Interconnection Financial Security postings under Section 11.3.~~

~~Where an Interconnection Study report identifies specific transmission facilities for Network Upgrade or Interconnection Facilities, the cost estimates determined in accordance with Section 6.4 will be set forth in present dollar costs as well as time-adjusted dollar costs, adjusted to the estimated year of expenditure for construction of the components being constructed.~~

2.4.3.4 Update Following TP Deliverability Allocation Process

Following the completion of ~~Phase II Interconnection Facilities~~ Studies for the Queue Cluster and provision by the CAISO of the results to Interconnection Customers in the Queue Cluster, the CAISO will perform the allocation of TP Deliverability to eligible Generating Facilities in accordance with Section 8.9. Based on the results of the allocation process and the responses to those results as reported by affected Interconnection Customers to the CAISO, the CAISO will

provide updates where needed to the Phase II Interconnection Study reports of affected Interconnection Customers. ~~The update to the Phase II Interconnection Study report provided under this section shall not extend the time for the second Interconnection Financial Security posting under Section 11.3.~~

Section 3 Interconnection Requests

3.1 General

Pursuant to CAISO Tariff Section 25.1, a duly authorized officer or agent of the Interconnection Customer will submit to the CAISO (1) an Interconnection Request consistent with Appendix 1 to this GIDAPRIS, including (2) an executed Generator Interconnection Cluster Study Process Agreement consistent with Appendix 3 to this GIDAPRIS. All forms may be submitted electronically as provided on the CAISO Website. Interconnection customers will submit Appendix B to the Generator Interconnection Study Process Agreement Cluster Study Agreement, the Interconnection Facilities Study Agreement, pursuant to Section 87 of this GIDAPRIS. The CAISO will forward a copy of the Interconnection Request to the applicable Participating TO within five (5) Business Days of receipt.

The Interconnection Customer shall submit a separate Interconnection Request for each site ~~and may submit multiple Interconnection Requests for a single site. The Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. Where multiple Generating Units share a site, the Interconnection Customer(s) may submit separate Interconnection Requests or a single Interconnection Request.~~ An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At the Interconnection Customer's option, the CAISO, Participating TO, and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at a Scoping Meeting within the Customer Engagement Window to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. The Interconnection Customer will select the definitive Point of Interconnection to be studied no later than the execution of the end of the Customer Engagement Window. For purposes of clustering Interconnection Requests, the CAISO and Participating TO may propose changes to the requested Point of Interconnection to facilitate efficient interconnection of Interconnection Customers at common Point(s) of Interconnection. The CAISO will notify Interconnection Customers in writing of any intended changes to the requested Point of Interconnection within the Customer Engagement Window, and the Point of Interconnection will only change upon mutual agreement.

Interconnection Customers may request Interconnection Service Capacity below the Generating Facility Capacity. The CAISO will study these requests for Interconnection Service at the level of Interconnection Service Capacity requested for purposes of Interconnection Studies, Network Upgrades, and associated costs. If the Generating Facility Capacity requires additional Network Upgrades beyond the Interconnection Service Capacity, the CAISO will provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade cost required for safety and reliability will be assigned to the Interconnection Customer and eligible for reimbursement consistent with the treatment of Interconnection Facilities and Network Upgrade provided in this GIDAPRIS. Interconnection Customers may be subject to additional control technologies, as well as testing and validation of those technologies consistent with Article 6 of the GIA and Article 2 of the SGIA. The necessary control technologies and protection systems shall be established in Appendix C of that executed, or requested to be filed unexecuted, GIA.

The CAISO will study Generating Units that include at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge

at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. If the CAISO and Participating TO find the Interconnection Customer's requested operating assumptions conflict with Good Utility Practice, they must provide the Interconnection Customer an explanation in writing of why the submitted operating assumptions are insufficient or inappropriate by no later than thirty (30) calendar days before the end of the Customer Engagement Window and allow the Interconnection Customer to revise and resubmit requested operating assumptions one time at least ten (10) calendar days prior to the end of the Customer Engagement Window. The CAISO and Participating TO will study these requests for Interconnection Service, with the study costs borne by the Interconnection Customer, using the submitted operating assumptions for purposes of Interconnection Facilities, Network Upgrades, and associated costs. These requests for Interconnection Service also may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. The Interconnection Customer's Generating Facility may be subject to additional control technologies as well as testing and validation of such additional control technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems will be set forth in Appendix C of the Interconnection Customer's LGIA.

3.2 Roles and Responsibilities

- (a) Each Interconnection Request will be subject to the direction and oversight of the CAISO. The CAISO will conduct or cause to be performed the required Interconnection Studies and any additional studies the CAISO determines to be reasonably necessary, and will direct the applicable Participating TO to perform portions of studies where the Participating TO has specific and non-transferable expertise or data and can conduct the studies more efficiently and cost effectively than the CAISO. The CAISO will coordinate with Affected System Operators in accordance with Section 3.7.
- (b) The CAISO will complete or cause to be completed all studies as required within the timelines provided in this. Any portion of the studies performed at the direction of the CAISO by the Participating TOs or by a third party shall also be completed within timelines provided in this GIDAPRIS.
- (c) The CAISO has established a pro forma Roles and Responsibilities Agreement, attached hereto as Appendix 4 and incorporated herein by reference, for execution by the CAISO and the applicable Participating TOs.
- (d) Each Interconnection Customer shall pay the actual costs of all Interconnection Studies, and any additional studies the CAISO determines to be reasonably necessary in response to the Interconnection Request. The CAISO shall reimburse the Participating TO for the actual cost of any portion of all Interconnection Studies that such Participating TO performs at the direction of the CAISO.

3.3 Timing for Submitting Interconnection Requests

3.3.1 Timing for Submitting Interconnection Requests for a Queue Cluster

Except for Interconnection Customers requesting processing under the Independent Study Process or Fast Track Process, Interconnection Requests must be submitted during a Cluster Application Window. ~~The Cluster Application Window will open on April 1 and close on April 15 of each year.~~

The CAISO will accept Interconnection Requests during a fifteen (15) day period (the Cluster Application Window). Beginning in 2026, the initial Cluster Application Window

for Interconnection Requests will open annually on October 1 and close on October 15. If any date set forth in this section is not a Business Day, then the applicable date shall be the next Business Day.

3.3.2 Timing for Submitting Interconnection Requests for ~~Independent Study Process~~ and Fast Track Process

Interconnection Customers may submit Interconnection Requests for processing under ~~the Independent Study Process or~~ the Fast Track Process at any time during the year.

3.3.3 Timing for Wholesale Distribution Transfers

After the Cluster Application Window, the CAISO will accept Interconnection Requests from Utility Distribution Companies that accepted interconnection requests for wholesale participation the Interconnection Customer reasonably believed were to the distribution grid based on available information, but should have been to the CAISO Controlled Grid. The CAISO will only accept those Interconnection Requests it can include in the ~~Phase I Interconnection Cluster~~ Study without delaying that Queue Cluster. The CAISO will not accept any Interconnection Request transfers after the commencement of the ~~Phase I Interconnection Cluster~~ Study.

After the Utility Distribution Company has transferred the Interconnection Request to the CAISO, the CAISO will notify the Interconnection Customer whether it can be included in the ~~Phase I Interconnection Cluster~~ Study and request any data still required under Section 3.5.1.

3.4 Surplus Interconnection Service

The CAISO will allow an Interconnection Customer to utilize or transfer Surplus Interconnection Service once the Interconnection Customer has executed the GIA or requested that the GIA be filed unexecuted. The Interconnection Customer will notify the CAISO that it has transferred its Surplus Interconnection Service to another entity. The total Interconnection Service Capacity of the original Interconnection Customer and the assignee of the Surplus Interconnection Capacity may not exceed the original Interconnection Customer's constructed Generating Facility Capacity, regardless of the Interconnection Service Capacity it requested in its Interconnection Request or memorialized in its GIA. The Generating Facility of the assignee must interconnect at the same Point of Interconnection as the original Interconnection Customer. The CAISO and Participating TO will study Surplus Interconnection Service requests for a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

If the assignee's Generating Facility would not require a new Interconnection Request pursuant to Section 25.1.1 of the CAISO Tariff, the original Interconnection Customer may transfer Surplus Interconnection Service, and the CAISO will study the transfer, as a modification under Section 6.7.2. Otherwise, the assignee of the Surplus Interconnection Service will submit an Interconnection Request ~~under the Independent Study Process~~ pursuant to Section 3.35 of this ~~GIDAPRIS.~~ The CAISO and Participating TO will study and treat the use of the Surplus Interconnection Service and any capacity beyond the Interconnection Service Capacity as a behind-the-meter capacity expansion consistent with Section 4.2 of this GIDAP. ~~The Independent Study Cluster Study Process for Surplus Interconnection Service~~ will identify any additional Interconnection Facilities and/or Network Upgrades necessary. Reimbursement for additional Reliability Network Upgrades will be capped pursuant to Section 14.3.2 of this ~~GIDAPRIS.~~ The CAISO will use the constructed Generating Facility Capacity of the original

Interconnection Customer for the MW value of the RNU reimbursement cap, and will subtract the costs of the original Interconnection Customer's Reliability Network Upgrades to determine any remaining eligible reimbursement under the cap for the assignee's Reliability Network Upgrades, if any.

Notwithstanding any other provision in this GIDAPRIS, if the original Interconnection Customer has Full or Partial Capacity Deliverability Status, it will notify the CAISO whether its transfer of Surplus Interconnection Service includes any Deliverability currently associated with the constructed Generating Facility capacity. The transfer amount of Deliverability may not exceed the transfer amount of Surplus Interconnection Service. The transfer amount of Surplus Interconnection Service will not operate as a basis to increase the Net Qualifying Capacity of the Generating Facility (including the expansion) that pre-existed the transfer. In all cases, the original Generating Facility and the behind-the-meter capacity expansion will be metered separately from one another and be assigned separate Resource IDs. If the original Interconnection Customer's Generating Facility permanently retires, or ceases operation for three (3) years without having begun active construction of a repowered Generating Facility, both the original Interconnection Customer and the assignee of the Surplus Interconnection Service will be converted to Energy Only. At any point, the assignee may seek its own TP Deliverability allocation pursuant to Section 8.9 of this GIDAPRIS. If the assignee receives its own TP Deliverability allocation, it will exist completely independent of the original Interconnection Customer and will not be converted to Energy Only due to the retirement or inoperability of the original Interconnection Customer, notwithstanding any other provision herein.

The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend the original Interconnection Customer's GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA.

3.5 Processing of Interconnection Requests

3.5.1 Initiating an Interconnection Request.

An Interconnection Customer seeking to join a Queue Cluster will submit its Interconnection Request to the CAISO within, and no later than the close of, the Cluster Application Window. Interconnection Requests submitted outside of the Cluster Application Window will not be considered. To initiate an Interconnection Request, except as set forth for the Fast Track Process in Section 5, and have the Interconnection Request considered for validation under Section 3.5.2, the Interconnection Customer must submit all of the following during the Cluster Application Window, ~~or at any time during the year for proposed Generating Facilities applying for processing under the Independent Study Process:~~

- (i) Applicable Interconnection Study Deposit amount, pursuant to Section 3.5.1.1 of this RIS. ~~An Interconnection Study Deposit of \$150,000.~~
- (ii) A completed application in the form of Appendix 1, including requested Deliverability statuses, requested study process (either Queue Cluster or ~~Independent Study Fast Track Study~~ Process), preferred Point of Interconnection and voltage level, and all other required technical data, including all data requested in Attachment A to Appendix 1 in Excel format.
- (iii) Demonstration of no less than ninety percent (90%) Site Control; or (1) a signed affidavit from an officer of the company indicating that Site Control is unobtainable due to regulatory limitations as defined in the Business Practice Manuals; (2) documentation sufficiently describing and explaining the source and effects of such regulatory limitations, including a description of any conditions

that must be met to satisfy the regulatory limitations and the anticipated time by which the Interconnection Customer expects to satisfy the regulatory requirements: and (3) a deposit in lieu of Site Control of \$10,000 per MW, subject to a minimum of \$500,000 and a maximum of \$2,000,000. Interconnection Requests from multiple Interconnection Customers for multiple Generating Facilities that share a site must include a contract or other agreement that allows for shared land use. Demonstration of Site Exclusivity or, for Interconnection Requests in a Queue Cluster, a posting of a Site Exclusivity Deposit of \$250,000 for a Small Generating Facility or \$500,000 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.

- (iv) A load flow model.
- (v) A dynamic data file.
- (vi) A reactive power capability document.
- (vii) A site drawing.
- (viii) A single-line diagram.
- (ix) A flat run plot and a bump test plot from the positive sequence transient stability simulation application.
- (x) A plot showing the requested MW at the Point of Interconnection from the positive sequence load flow application.
- (xi) A Commercial Readiness Deposit equal to two times the study deposit described in Section 3.5.1.1 of this RIS in the form of an irrevocable letter of credit, cash, a surety bond, or other form of security that is reasonably acceptable to the CAISO under Section 11.1 of this RIS. This Commercial Readiness Deposit is refunded to Interconnection Customer according to Section 3.8 of this RIS.
- (xii) If applicable, (a) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of the Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to the operating assumptions submitted by the Interconnection Customer.

The CAISO requires the foregoing information to be complete and specific to the Interconnection Request. The CAISO will first determine whether a submitted Interconnection Request is complete. The CAISO will not initiate any review of an Interconnection Request for completeness until the Interconnection Study Deposit is received by the CAISO. Consistent with Section 3.5.3, the CAISO will review each Interconnection Request and notify the Interconnection Customer whether it is complete or contains omissions within five (5) Business Days of submission. Any Interconnection Customer that has not submitted a complete Interconnection Request by April/October 15 (or the next Business Day if April/October 15 is not a Business Day) will be deemed incomplete with no opportunity to cure or otherwise be included in that year's Queue Cluster.

The CAISO requires Interconnection Study Deposits to review and validate the

Interconnection Request. Notwithstanding Section 3.5.2 of this GIDAPRIS or any other provision regarding validation or the ability to cure deficiencies, the CAISO will not review, process, or validate an Interconnection Request absent the Interconnection Study Deposit. Any interconnection Customer that has not submitted a complete Interconnection Study Deposit by April/October 15 (or the next Business Day if April/October 15 is not a Business Day) will be deemed invalid with no opportunity to cure or otherwise be included in that year's Queue Cluster.

~~The CAISO will include examples of how Interconnection Customers can demonstrate Site Exclusivity, including on public sites, in its Business Practice Manual.~~

3.5.1.1 ~~Use of~~ Interconnection Study Deposit.

The Interconnection Customer will submit to the CAISO, during a Cluster Application Window, an Interconnection Request in the form of Appendix 1 to this RIS, a non-refundable application fee of \$5,000, and a refundable study deposit:

- a. \$35,000 plus \$1,000 per MW for Interconnection Requests < 80 MW, or;
- b. \$150,000 for Interconnection Requests ≥ 80 MW < 200 MW; or
- c. \$250,000 for Interconnection Requests ≥ 200 MW.

The CAISO will apply the study deposit toward the cost of the Cluster Study Process.

The CAISO shall deposit all Interconnection Study Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the CAISO, the Participating TOs, or third parties at the direction of the CAISO or Participating TOs, as applicable, to perform and administer the Interconnection Studies and to meet and otherwise communicate with Interconnection Customers with respect to their Interconnection Requests.

~~Except for proposed Generating Facilities processed under the Fast Track Process set forth in Section 5, tThe 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 CAISO by written notice under Section 3.8 on or before thirty (30) calendar days following the Scoping Meeting, the CAISO shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal, that exceed the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf.~~
- ~~(b) — Should an Interconnection Request made under Section 3.5.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under Section 3.8 more than thirty (30) calendar days after the Scoping Meeting, but on or before thirty (30) calendar days following the Results Meeting (or the latest date permitted under this GIDAP for a Results Meeting if a customer elects not to have a Results Meeting) for the Phase I Interconnection Study or the system impact and facilities study for Generating Facilities processed under the Independent Study Process, the CAISO 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 CAISO and Participating TOs have incurred on the Interconnection Customer's behalf or one-half of the original Interconnection Study Deposit up to a maximum of \$75,000, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal.~~

~~Interconnection Customers in Queue Cluster 5 who have provided the Study Deposit may receive a refund of the Interconnection Study Deposit, less actual costs expended on the Interconnection Studies to date, by withdrawing from the Queue within ten (10) calendar days after July 25, 2012.~~

~~(c) — Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under Section 3.8 at any time more than thirty (30) calendar days after the Results Meeting (or the latest date permitted for a Results Meeting if a customer elects not to have a Results Meeting) for the Phase I Interconnection Study, or the system impact and facilities study for proposed Generating Facilities processed under the Independent Study Process, the Interconnection Study Deposit shall be non-refundable.~~

~~(d) — Upon execution of a GIA by an Interconnection Customer, the CAISO and the applicable Participating TOs, or the approval by FERC of an unexecuted GIA, the CAISO shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal, that exceeds the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf.~~

~~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 CAISO 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 CAISO will reimburse the applicable Participating TO(s) or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the CAISO's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.~~

~~All non-refundable portions of the Interconnection Study Deposit that exceed the costs the CAISO, Participating TOs, or third parties have incurred on the Interconnection Customer's behalf, and any non-refundable interconnection study deposit funds that are received by the CAISO from a Participating TO, pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.~~

~~Notwithstanding any other provision, all refunds pursuant to this Appendix DD will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the~~

~~Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.~~

3.5.1.2 Obligation for Study Costs.

In the event an Interconnection Customer withdraws its Interconnection Request prior to the commencement of the Cluster Study, Interconnection Customer must pay the CAISO the actual costs of processing its Interconnection Request.

~~Except as otherwise provided in Section 3.5.1.1, In the event an Interconnection Customer withdraws after the commencement of the Cluster Study, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. The costs of any Interconnection Study conducted on a clustered basis will be allocated among each Interconnection Customer within the Cluster as follows:~~

Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a per capita basis.

~~Fifty percent (50%) of the study costs will be allocated to each Interconnection Request in a cluster on a pro rata basis. 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.~~

Following offsets from ~~non-refundable Site Exclusivity Deposit/Withdrawal Penalties assessed pursuant to Section 7.6 funds,~~ the actual costs of each reassessment, as set forth in Section 7.4, will be ~~divided and~~ allocated ~~equally amongst the~~ among each Interconnection Custer in the same manner as above, following Interconnection Customers:

~~(1) — Interconnection Customers whose Generating Facilities' Phase II Interconnection Studies were completed in the most recent Interconnection Study Cycle prior to the applicable reassessment;~~

~~(2) — Interconnection Customers whose Generating Facilities are parked pursuant to this GIDAP at the time of the applicable reassessment process; and~~

~~(3) — Interconnection Customers with Interconnection Requests for Generating Facilities in Queue Clusters for whose Interconnection Studies the results of the applicable annual reassessment process will be used to establish the Base Case.~~

~~An Interconnection Customer will be allocated a single share of the actual costs of the reassessment per Generating Facility in these four categories, even if a Generating Facility falls within more than one of these categories.~~

Any difference between the study deposit and the actual cost of the Interconnection Studies will be paid by or refunded, except as otherwise provided herein, to Interconnection Customers. Any invoices for Interconnection Studies will include a detailed and itemized accounting of the cost of each

Interconnection Study. Interconnection Customers will pay any such undisputed costs within thirty (30) days of receipt of an invoice therefor. If an Interconnection Customer fails to pay such undisputed costs within the time allotted, its Interconnection Request will be deemed withdrawn from the Cluster Study Process and will be subject to Withdrawal Penalties pursuant to Section 3.8 of this RIS.

The Participating TO and any third parties performing work on the Interconnection Customer's behalf shall invoice the CAISO for such work, and the CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the ~~Interconnection~~ Study Deposit any undisputed costs within thirty (30) calendar days of issuance of an invoice. 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 CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study, or portions thereof, is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study or portions thereof.

3.5.1.3 ~~Use of Site Exclusivity Control and Site Control~~ Deposit.

Interconnection Customer shall promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. If the CAISO determines, based on the Interconnection Customer's information, that the Interconnection Customer no longer satisfies the Site Control requirement, the CAISO shall give the Interconnection Customer ten (10) Business Days to demonstrate satisfaction with the applicable requirement subject to the CAISO's approval. Absent such, the CAISO shall deem the Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

An Interconnection Customer that submits a deposit in lieu of Site Control due to demonstrated regulatory limitations must demonstrate that it is taking identifiable steps to secure the necessary regulatory approvals from the applicable federal, state, and/or tribal entities before the end of the Customer Engagement Window. Such deposit will be held by the CAISO until the Interconnection Customer provides the required Site Control demonstration for its point in the Cluster Study Process. An Interconnection Customer facing qualifying regulatory limitations must demonstrate one-hundred percent (100%) Site Control within one hundred eighty (180) days of the effective date of the GIA.

The CAISO shall deposit all Site ~~Exclusivity Control~~ Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site ~~Exclusivity Control~~ Deposit and all interest shall be refundable to the Interconnection Customer at any time upon demonstration of Site ~~Exclusivity Control~~. ~~For Site Exclusivity Deposits provided after September 1, 2022, if the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the CAISO by written notice under Section 3.8 thirty (30) calendar days after the Scoping Meeting and before demonstrating Site Exclusivity, fifty percent (50%) of the Site Exclusivity will be non-refundable and subject to Section 7.6 of this GIDAP. The refund of the Site Exclusivity Deposit shall include interest earned at the rate provided for in the interest-~~

~~bearing account from the date of deposit to the date of withdrawal on the refundable portion only.~~

~~Interconnection Customers in Clusters 15 and thereafter may not use Site Exclusivity Deposits after the Phase I Interconnection Study. Interconnection Customers must demonstrate Site Exclusivity for the Generating Facility at least ten (10) Business Days prior to the initial Interconnection Financial Security posting is required. Interconnection Customers that fail to demonstrate Site Exclusivity prior to this deadline will be deemed withdrawn.~~

3.5.1.4 Proposed Commercial Operation Date.

~~In the initial Interconnection Request, T~~the proposed Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven (7) years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, 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 (7) year period. The CAISO'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 Section 8.9.3 for retention of TP Deliverability.

~~Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing. For purposes of this section, the Commercial Operation Date reflected in the initial Interconnection Request will be used to calculate the permissible extension prior to Interconnection Customer executing a GIA or requesting that the GIA be filed unexecuted. After a GIA is executed or requested to be filed unexecuted, the Commercial Operation Date reflected in the GIA will be used to calculate the permissible extension. Such cumulative extensions may not exceed three (3) years including both extensions requested after execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO and those requested prior to execution of the GIA by Interconnection Customer or the filing of an unexecuted GIA by the CAISO.~~

3.5.1.5 Third-party Interconnection Facilities.

Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities to be deemed valid pursuant to Section 3.5.2. ~~On or before their initial Interconnection Financial Security posting, Within twenty (20) days after the Cluster Study Report Meeting,~~ such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.

3.5.2 ~~Validation of Interconnection Request~~Customer Engagement Window.

~~Upon the close of each Cluster Application Window, the CAISO will open a ninety (90) calendar day period (Customer Engagement Window). During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with all interested Interconnection Customers. Notwithstanding the preceding requirements and upon~~

written consent of all Interconnection Customers within the Cluster, the CAISO may shorten the Customer Engagement Window and begin the Cluster Study. Within ten (10) Business Days of the opening of the Customer Engagement Window, the CAISO will post on its Website a list of Interconnection Requests for that Cluster. The list will identify, for each anonymized Interconnection Request: (1) the requested amount of Interconnection Service; (2) the location by county and state; (3) the station or transmission line or lines where the interconnection will be made; (4) the projected In-Service Date; (5) the Deliverability Status requested; and (6) the type of Generating Facility or Facilities to be constructed, including fuel types, such as coal, natural gas, solar, or wind. The CAISO must ensure that project information is anonymized and does not reveal the identity or commercial information of interconnection customers with submitted requests. During the Customer Engagement Window, the CAISO will provide to Interconnection Customer a non-binding updated good faith estimate of the cost and timeframe for completing the Cluster Study. Interconnection Customers can access and execute the Cluster Study Agreement through the CAISO Website. Interconnection Customers must execute the Cluster Study Agreement prior to the close of the Customer Engagement Window.

At the end of the Customer Engagement Window, all Interconnection Requests deemed valid that have executed a Cluster Study Agreement in the form of Appendix 3 to this RIS will be included in the Cluster Study. Any Interconnection Requests not deemed valid at the close of the Customer Engagement Window will be deemed withdrawn (without the cure period provided under Section 3.8 of this RIS by the CAISO, the application fee will be forfeited to the CAISO, and the CAISO will return the Interconnection Study Deposit and Commercial Readiness Deposit to the Interconnection Customer. Immediately following the Customer Engagement Window, the CAISO will initiate the Cluster Study described in Section 6 of this RIS.

For each Interconnection Request that is deemed complete pursuant to Section 3.5.1, the CAISO and Participating TO will determine whether the Interconnection Request is valid. An Interconnection Request will be deemed valid if it does not contain deficiencies that would prevent its inclusion in the ~~Phase I Interconnection Studies~~ Cluster Study. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files.

The Interconnection Customer will provide the CAISO the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice but no later than the end of the Customer Engagement Window. At any time, if the CAISO finds that the technical data provided by Interconnection Customer is incomplete or contains errors, the Interconnection Customer, Participating TO, and the CAISO will work expeditiously and in good faith to remedy such issues. In the event that the Interconnection Customer fails to comply with this Section, the CAISO will deem the Interconnection Request withdrawn (without the cure period provided under Section 3.8 of this RIS, the application fee is forfeited to the CAISO, and the Interconnection Study and Commercial Readiness Deposit will be returned to Interconnection Customer.

3.5.2.1 Validation Process.

The CAISO and Participating TO will notify the Interconnection Customer whether its Interconnection Request is valid or contains deficiencies within ten (10) Business Days of ~~April-October~~ 15 or when the Interconnection Request is deemed complete, whichever is later. All Interconnection Requests must be deemed valid by ~~June 30~~ the end of the Customer Engagement Window to be included in that year's Queue Cluster.

3.5.2.2 Deficiencies in Interconnection Request.

If an Interconnection Request has deficiencies, the CAISO shall include in its notification to the Interconnection Customer that the Interconnection Request does not constitute a valid request and explain the deficiencies. The Interconnection Customer shall provide the CAISO the corrected requested information needed to constitute a valid request. Consistent with Section 3.5, whenever corrected requested information is provided by the Interconnection Customer, the CAISO shall notify the Interconnection Customer within five (5) Business Days of receipt of the corrected requested information whether the Interconnection Request is valid. If the Interconnection Request continues to provide deficient information, the CAISO shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request is not deemed valid, the Interconnection Customer must cure all deficiencies no later than ~~June 30 or the next Business Day if June 30 is not a Business Day~~ the close of the Customer Engagement Window. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in an Interconnection Study Cycle or otherwise studied.

Interconnection Requests deemed invalid under this Section 3.5.2.2 are not subject to Section 3.8. Interconnection Customers with invalid Interconnection Request under this Section 3.5.2.2 may seek relief under Section 15.5 by so notifying the CAISO within two (2) Business Days of the notice of invalidity.

3.5.3 Day-for-day Extensions

~~The CAISO and Participating TO will use Reasonable Efforts to meet all deadlines in this Section 3.5.3 of the GIDAP. To the extent the CAISO and Participating TO cannot meet any deadline in this Section 3.5.2, the Interconnection Customer will receive a day-for-day extension on all remaining deadlines requiring its response until May 31.~~

~~Pursuant to Section 3.5.1, Interconnection Customers that submit their Interconnection Requests more than five (5) Business Days before April 15 will receive a notification from the CAISO regarding their Interconnection Request's completion, and will have an opportunity to provide any missing information by April 15. To the extent the CAISO and Participating TO cannot meet the five (5) Business Day response time for Interconnection Requests submitted or corrected more than five (5) Business Days before April 15, the Interconnection Customer will receive a day-for-day extension on the April 15 completion deadline and the June 30 validation deadline. Interconnection Customers that submit or correct their Interconnection Requests within five (5) Business Days of April 15 may not receive a notification by April 15, will not receive an extension of the April 15 deadline, and must have submitted a complete Interconnection Request to be validated pursuant to Section 3.5.2.~~

~~Pursuant to Section 3.5.2, the CAISO and Participating TO will notify the Interconnection Customer whether its Interconnection Request is valid or contains deficiencies within ten (10) Business Days of April 15 or when the Interconnection Request is deemed complete, whichever is later. The CAISO will notify an Interconnection Customer within five (5) Business Days whether its Interconnection Request is now valid when an Interconnection Customer attempts to cure a deficiency. For all information submitted prior to May 31, to the extent the CAISO and Participating TO cannot meet the deadlines described here, the Interconnection Customer will receive a day-for-day extension on the June 30 deadline for validation. If an Interconnection Customer does not respond to a deficiency notice until after May 31, it will not receive any extension beyond the June 30 deadline for validation.~~

3.6 Internet Posting

The CAISO will maintain on the CAISO 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 projected Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; (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); (ix) requested Deliverability statuses, and (x) project name.

Except in the case of an Affiliate, the list will not disclose the identity of the Interconnection Customer until the Interconnection Customer executes a GIA or requests that the applicable Participating TO(s) and the CAISO file an unexecuted GIA with FERC. The CAISO shall post on the CAISO Website an advance notice whenever a Scoping Meeting will be held with an Affiliate of a Participating TO.

The CAISO shall maintain on the CAISO Website: (1) an interactive visual representation of the estimated incremental injection capacity (in megawatts) available at each Point of Interconnection in the CAISO's footprint under N-1 conditions, and (2) a table of metrics concerning the estimated impact of a potential Generating Facility on the CAISO's transmission system based on a user-specified addition of a particular number of megawatts at a particular voltage level at a particular Point of Interconnection. At a minimum, for each transmission facility impacted by the user-specified megawatt addition, the following information will be provided in the table: (1) the distribution factor; (2) the megawatt impact (based on the megawatt values of the proposed Generating Facility and the distribution factor); (3) the percentage impact on each impacted transmission facility (based on the megawatt values of the proposed Generating Facility and the facility rating); (4) the percentage of power flow on each impacted transmission facility before the injection of the proposed project; and (5) the percentage power flow on each impacted transmission facility after the injection of the proposed Generating Facility. These metrics must be calculated based on the power flow model of the transmission system with the transfer simulated from each Point of Interconnection to the whole CAISO footprint, and with the incremental capacity at each Point of Interconnection decremented by the existing and queued Generating Facilities (based on the existing or requested Interconnection Service limit of the generation). These metrics will be updated within thirty (30) days after the completion of each Cluster Study and Cluster Restudy. This information will be publicly posted, without a password or a fee on the CAISO Website. The CAISO Website will define all underlying assumptions, including the name of the most recent Cluster Study or Restudy used in the Base Case.

The CAISO shall post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO shall further post to the secure CAISO Website portions of the ~~Phase I Interconnection Cluster~~ Study that do not contain customer-specific information following the final Results Meeting and portions of the ~~Phase II Interconnection Facilities~~ Study that do not contain customer-specific information no later than publication of the final Transmission Plan under CAISO Tariff Section 24.2.5.2 (such posted information to be placed on the secure CAISO Website to protect any Critical Energy Infrastructure Information contained therein). The CAISO shall post to the secure CAISO Website any documents or other materials posted pursuant to this or a Business Practice Manual that contain Critical Energy Infrastructure Information.

3.6.1 Interconnection Studies Statistics

The CAISO will maintain on its Wwebsite summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. The CAISO will maintain a link on OASIS to the CAISO Wwebsite with the interconnection statistics. These statistics will include:

3.6.1.1 ~~Phase I Interconnection Cluster~~ Studies

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had ~~Phase I Interconnection Cluster~~ Studies completed during the reporting quarter;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had ~~Phase I Interconnection Cluster~~ Studies completed beyond the one hundred ~~seventy-fifty (170150)~~ Calendar Days planned for the Phase I Interconnection Study pursuant to Section 6.6 of this GIDAP after the close of the Customer Engagement Window;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete ~~Phase I Interconnection Cluster~~ Studies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than that have exceeded the one hundred ~~seventy-fifty (170150)~~ days planned for the Phase I Interconnection Study pursuant to Section 6.6 of this GIDAP before the reporting quarter end;
- (D) The mean time (in days) of ~~Phase I Interconnection Cluster~~ Studies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO began the annual notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required Phase I Interconnection Study pursuant to Section 6.67.4.1 of this GIDAP RIS to the date the CAISO provided the completed Phase I Interconnection Cluster Study Study Report to the Interconnection Customer;
- (E) Mean time (in days), Cluster Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Study Report to the Interconnection Customer;
- (~~E~~F) The percentage of ~~Phase I Interconnection Cluster Studies~~ Studies exceeding the one hundred ~~seventy-fifty (170150)~~ days planned for the Phase I Interconnection Study pursuant to Section 6.6 of this GIDAP to complete this reporting quarter, calculated as the sum of Section 3.6.1.1(B) plus Section 3.6.1.1(C), divided by the sum of Section 3.6.1.1(A) plus Section 3.6.1.1(C).

3.6.1.2 Cluster Restudies

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had Cluster Restudies completed beyond the one hundred fifty (150) Calendar Days after the close of the Customer Engagement Window;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete Cluster Restudies where such Interconnection Requests had executed a Cluster Study agreement received by the CAISO more than one hundred fifty (150) days before the reporting quarter end;
- (D) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated region during the reporting quarter, from the date when the CAISO notifies the Interconnection Customers in the Cluster that a Cluster Restudy is required pursuant to Section 7.4.1 of this RIS to the date the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer;
- (E) The mean time (in days) of Cluster Restudies completed within the CAISO's coordinated

region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Cluster Restudy Report to the Interconnection Customer:

- ~~(F) The percentage of Cluster Restudies exceeding the one hundred fifty (150) days to complete this reporting quarter, calculated as the sum of Section 3.6.1.2(B) plus Section 3.6.1.2(C), divided by the sum of Section 3.6.1.2(A) plus Section 3.6.1.2(C).~~

3.6.1.23 Phase II Interconnection Facilities Studies Processing Time

- (A) The number of Interconnection Requests to the CAISO Controlled Grid that had ~~Phase II~~ Interconnection Facilities Studies completed;
- (B) The number of Interconnection Requests to the CAISO Controlled Grid that had ~~Phase II~~ Interconnection Facilities Studies completed beyond the ~~two hundred and five (205) one hundred twenty (120)~~ days planned for the ~~Phase II~~ Interconnection Facilities Study pursuant to Section 8.5 of this ~~GIDAPRIS~~;
- (C) The number of active, valid Interconnection Requests with ongoing incomplete ~~Phase II~~ Interconnection Facilities Studies that have exceeded the ~~one hundred twenty (120) two hundred and five (205)~~ days planned for the ~~Phase II~~ Interconnection Study pursuant to Section 8.5 of this ~~GIDAPRIS~~;
- (D) The mean time (in days) of ~~Phase II~~ Interconnection Facilities Studies completed from the date when the CAISO began the annual ~~Phase II~~ Interconnection Facilities Study pursuant to Section 8.5 of this ~~GIDAPRIS~~ to the date the CAISO provided the completed ~~Phase II~~ Interconnection Facilities Study to the Interconnection Customer;
- ~~(E) The mean time (in days) of Interconnection Facilities Studies completed within the CAISO's coordinated region during the reporting quarter, from the close of the Cluster Application Window to the date when the CAISO provided the completed Interconnection Facilities Study to Interconnection Customer:~~
- ~~(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of Section 3.6.1.3(B) plus Section 3.6.1.3(C) divided by the sum of Section 3.6.1.3(A) plus Section 3.6.1.3(C) of this RIS. The percentage of Phase II Interconnection Studies exceeding the two hundred and five (205) days planned for the Phase II Interconnection Study pursuant to Section 8.5 of this GIDAP, calculated as the sum of (B) plus (C), divided by the sum of (A) plus (C).~~

3.6.1.34 Interconnection Requests Withdrawn

- (A) The number of Interconnection Requests withdrawn;
- (B) The number of Interconnection Requests withdrawn before completion of any Interconnection Studies;
- (C) The number of Interconnection Requests withdrawn before completion of their ~~Phase II~~ Interconnection Facilities Study;
- (D) The number of Interconnection Requests withdrawn after completion of an Interconnection Facilities Study but before execution of a GIA or before the Interconnection Customer requests filing an unexecuted, new GIA;

- (E) ~~Number of Interconnection Requests withdrawn from the CAISO's interconnection queue after completion of an Interconnection Facilities Study but before execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;~~
- (F) ~~Number of Interconnection Requests withdrawn from the CAISO's queue after execution of a GIA or Interconnection Customer requests the filing of an unexecuted, new GIA;~~
- (GE) Mean time (in days), for all withdrawals, from the date when the request was determined to be valid to when the CAISO received the request to withdraw from the queue.

3.6.2 Retention

The CAISO will keep the quarterly interconnection studies statistics on the CAISO Website for three (3) calendar years, ~~commencing in the first quarter of 2020.~~

3.6.3 FERC Reporting

In the event that any of the percentages calculated in any subparagraph E of Section 3.6.1.1 and 3.6.1.2 exceeds twenty five (25) percent for two (2) consecutive quarters, the CAISO will, for the next four (4) quarters and until those percentages fall below twenty five (25) percent for two (2) consecutive quarters:

- (i) submit a report to FERC describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline for completion ~~(excluding any allowance for Reasonable Efforts)~~. The CAISO will describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The CAISO will file the report with FERC within forty five (45) days of the end of the calendar quarter.
- (ii) aggregate and publish on the CAISO Website the total number of employee-hours and third party consultant hours expended towards its Interconnection Studies. The CAISO will publish these figures within thirty (30) days of the end of the calendar quarter.

3.7 Coordination with Affected Systems

Pursuant to Section 3.7.1, the CAISO will notify the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or ~~Group Study~~ Cluster Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this GIDAPRIS. The CAISO will include Affected System Operators in all meetings held with the Interconnection Customer as required by this GIDAPRIS.

The Interconnection Customer will cooperate with the CAISO and Affected System Operator in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including providing consent to CAISO's identification of Interconnection Customer's name, Generating Facility project name, and release of information that the Interconnection Customer provided as part of its Interconnection Request to the Affected System, and participating in any coordinating activities and communications undertaken by the Affected System or CAISO. If required by an Identified Affected System, the Interconnection Customer will sign separate study agreements with the Identified Affected System and pay for necessary studies. Identified Affected Systems will cooperate with the CAISO in all matters related to the Identified Affected System Operators' determination of modifications to Identified Affected

Systems.

3.7.1 Timing for Identification of Identified Affected Systems

The CAISO will provide notice to the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or ~~Group Study~~Cluster Study within ~~thirty ten (310) calendar Business Days~~ after determining which projects in each study cluster have posted their ~~additional initial Interconnection Financial Security Commercial Readiness Deposit to bring the total to five percent (5%) of the Interconnection Customer's Network Upgrade cost, pursuant to Section 7.4 of this RIS.~~

The CAISO may later notify Affected Systems if (i) the CAISO failed to identify the Affected System initially; (ii) the Interconnection Customer modifies its project such that an electric system becomes a potentially Affected System; or (iii) the Interconnection Customer converts from a Wholesale Distribution Access Tariff to the CAISO Tariff and the same Affected Systems were not notified previously or the conversion was due to a system change. In such cases, the CAISO will coordinate with the Interconnection Customer and the potentially Affected System Operator to develop an expedited timeline to determine whether the Affected System is an Identified Affected System. The CAISO will then notify the Interconnection Customer as soon as practical of the new Identified Affected System.

Within sixty (60) calendar days of notification from the CAISO, the Affected System Operator will advise the CAISO in writing that either: (i) the CAISO should consider the electric system to be an Identified Affected System; or (ii) the electric system should not be considered an Identified Affected System. If the Affected System Operator fails to advise the CAISO within (60) calendar days of notification, the CAISO will assume that the electric system is not an Affected System.

If an electric system operator advises the CAISO that it is an Identified Affected System after the 60-day notification period, the CAISO will not delay the synchronization or Commercial Operation of the Generating Facility for mitigation required by the Affected System unless the Affected System identifies, and the CAISO confirms, a legitimate reliability issue. Where legitimate reliability issues are present, the CAISO will work with the Affected System and the Interconnection Customer to establish temporary mitigations, if possible, for the identified reliability issue. An Affected System's mitigation remedies that may be available outside the CAISO Tariff are unaffected by these provisions.

3.8 Withdrawal

The Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to the CAISO, and the CAISO will notify the applicable Participating TO(s) and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the CAISO of a valid Interconnection Request under Section 3.5.2, if the Interconnection Customer fails to adhere to all requirements of this ~~GIDAPRIS~~, except as provided in Section 15.5 (Disputes), the CAISO shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Interconnection Customer within five (5) Business Days of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Interconnection Customer shall have five (5) Business Days in which to respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the CAISO of its intent to pursue Dispute Resolution.

Withdrawal shall result in the removal of the Interconnection Request from the Interconnection

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

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn by the CAISO under Section 3.8 of this RIS, the CAISO will (i) update the OASIS Queue Position posting; (ii) impose the Withdrawal Penalty described in Section 3.8.1 of this RIS; and (iii) refund to the Interconnection Customer any portion of the refundable portion of Interconnection Customer's study deposit that exceeds the costs that the CAISO has incurred, including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations. The CAISO will also refund any portion of the Commercial Readiness Deposit not applied to the Withdrawal Penalty and, if applicable, the deposit in lieu of site control.

In the event of such withdrawal, the CAISO, subject to the provisions of Sections 15.1 and 3.5.1.1, shall provide, at the Interconnection Customer's request, all information that the CAISO developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.8.1 Withdrawal Penalty.

The Interconnection Customer will be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or is deemed withdrawn, or the Generating Facility does not otherwise reach Commercial Operation unless: (1) the withdrawal does not have a material impact on the cost or timing of any Interconnection Request in the same Cluster; (2) Interconnection Customer withdraws after receiving Interconnection Customer's most recent Cluster Restudy Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than twenty-five percent (25%) compared to costs identified in Interconnection Customer's preceding Cluster Study Report or Cluster Restudy Report; or (3) Interconnection Customer withdraws after receiving Interconnection Customer's Interconnection Facilities Study Report and the Network Upgrade costs assigned to the Interconnection Request identified in that report have increased by more than one hundred percent (100%) compared to costs identified in the Cluster Study Report or Cluster Restudy Report.

3.8.1.1 Calculation of the Withdrawal Penalty.

If the Interconnection Customer withdraws its Interconnection Request or is deemed withdrawn prior to the commencement of the initial Cluster Study, Interconnection Customer will not be subject to a Withdrawal Penalty. If Interconnection Customer withdraws, is deemed withdrawn, or otherwise does not reach Commercial Operation at any point after the commencement of the initial Cluster Study, that Interconnection Customer's Withdrawal Penalty will be the greater of: (1) the Interconnection Customer's study deposit required under Section 3.5.1.1 of this RIS; or (2) as follows in (a)–(d):

(a) _____ If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Study or after receipt of a Cluster Study Report, but prior to commencement of the Cluster Restudy or Interconnection Facilities Study if no Cluster Restudy is required, Interconnection Customer will be charged two (2) times its actual allocated cost of all studies performed for Interconnection Customers in the Cluster.

(b) _____ If Interconnection Customer withdraws or is deemed withdrawn during the Cluster Restudy or after receipt of any applicable restudy reports issued pursuant to Section 7.4 of this RIS, but prior to commencement of the Interconnection Facilities Study, Interconnection Customer will be charged five percent (5%) of its estimated Network Upgrade costs.

(c) _____ If Interconnection Customer withdraws or is deemed withdrawn during the Interconnection Facilities Study, after receipt of the Interconnection Facilities Study Report issued pursuant to Section 8.5 of this RIS, or after receipt of the draft GIA but before Interconnection

Customer has executed a GIA or has requested that its GIA be filed unexecuted, and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility). Interconnection Customer will be charged ten percent (10%) of its estimated Network Upgrade costs.

(d) If Interconnection Customer has executed a GIA or has requested that its GIA be filed unexecuted and has satisfied the other requirements described in Section 13.3 of this RIS (i.e., Site Control demonstration, GIA Deposit, reasonable evidence of one or more milestones in the development of the Generating Facility) and subsequently withdraws its Interconnection Request or if Interconnection Customer's Generating Facility otherwise does not reach Commercial Operation, that Interconnection Customer's Withdrawal Penalty will be twenty percent (20%) of its estimated Network Upgrade costs.

11.4.2.53.8.2 Notification to CAISO and Accounting by Applicable Participating TO(s).

The applicable Participating TO(s) shall notify the CAISO within one (1) Business Day of liquidating any Interconnection Financial Security deposit. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) shall provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security deposit and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this Section.

All non-refundable portions of the Interconnection Financial Security Withdrawal Penalties remitted to the CAISO in accordance with this Section, and any non-refundable interconnection financial security funds that are received by the CAISO from a Participating TO pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.

3.9 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.

3.10 Emergency Interconnection Process

The CAISO and Participating TO(s) may conduct expedited studies to approve emergency interconnections when all of the following conditions are satisfied:

- (a) The State of California Governor declared an emergency that requires capacity on an expedited basis;
- (b) The CPUC, the CEC, or a California agency specifically identified the interconnection as needed to respond to the State of California Governor's emergency declaration;
- (c) The interconnection would not have a negative impact on the cost or timing of any existing Interconnection Request unless the impacted Interconnection Request belongs

to the same developer and the developer consents to the impact;

- (d) The interconnection does not require Network Upgrades above \$1 million. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of this GIDAPRIS;
- (e) The Reliability Network Upgrades required will be constructed in fewer than six (6) months;
- (f) The GIA or amendment for the emergency interconnection will expressly terminate the interconnection for the emergency capacity within three (3) years of the Commercial Operation Date of the emergency capacity. The Interconnection Customer may obtain standard Interconnection Service for the emergency capacity by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAPRIS and supplanting the emergency GIA or amendment;
- (g) The emergency interconnection will be ineligible for Delivery Network Upgrades or TP Deliverability except Interim Deliverability consistent with Section 4.6 of this GIDAPRIS, or until it can obtain TP Deliverability by submitting a subsequent Interconnection Request pursuant to Sections 3.5 or 5.1 of this GIDAPRIS;
- (h) The emergency interconnection will not impact Affected Systems; and
- (i) The expedited studies confirm the interconnection may mitigate the emergency.

The Interconnection Customer will provide the CAISO a \$50,000 deposit and all necessary technical information to assess the interconnection. The Interconnection Customer will be responsible for the actual costs incurred by the CAISO and applicable Participating TO(s) in conducting the assessment. If the actual costs of the assessment are less than the deposit provided by the Interconnection Customer, the Interconnection Customer will be refunded the balance. If the actual costs of the assessment are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer shall pay the balance within 30 days of being invoiced. The CAISO shall coordinate the assessment with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO and Participating TO(s) will conduct all necessary studies, publish study results, and tender a draft GIA or amendment to the Interconnection Customer.

Notwithstanding any other provision, all refunds pursuant to this section will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

3.11 Penalties for Failure to Meet Study Deadlines

(1) The interconnecting Participating TO will be subject to a penalty if it fails to complete a Cluster Study, Cluster Restudy, Interconnection Facilities Study, or Affected Systems Study by the applicable deadline set forth in this RIS. The Participating TO must pay the penalty for each late Cluster Study, Cluster Restudy, and Interconnection Facilities Study on a pro rata basis per Interconnection Request to all Interconnection Customer(s) included in the relevant study that did

not withdraw, or were not deemed withdrawn, from the CAISO's interconnection queue before the missed study deadline. The Participating TO must pay the penalty for a late Affected Systems Study on a *pro rata* basis per interconnection request to all Affected System Interconnection Customer(s) included in the relevant Affected System Study that did not withdraw, or were not deemed withdrawn, from the host transmission provider's interconnection queue before the missed study deadline. The study delay penalty for each late study will be distributed no later than forty-five (45) calendar days after the late study has been completed.

(2) For penalties assessed in accordance with this Section, the penalty amount will be equal to: \$1,000 per Business Day for delays of Cluster Studies beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of the Cluster Restudy beyond the applicable deadline set forth in this RIS; \$2,000 per Business Day for delays of Affected System Studies beyond the applicable deadline set forth in this RIS; and \$2,500 per Business Day for delays of Interconnection Facilities Studies beyond the applicable deadline set forth in this RIS. The total amount of a penalty assessed under this Section will not exceed: (a) one hundred percent (100%) of the initial study deposit(s) received for all of the Interconnection Requests in the Cluster for Cluster Studies and Cluster Restudies; (b) one hundred percent (100%) of the initial study deposit received for the single Interconnection Request in the study for Facilities Studies; and (c) one hundred percent (100%) of the study deposit(s) that the CAISO collects for conducting the Affected System Study.

(3) The Participating TO may appeal to FERC any penalties imposed under this Section. Any such appeal must be filed no later than forty-five (45) calendar days after the late study has been completed. While an appeal to FERC is pending, the Participating TO will remain liable for the penalty, but need not distribute the penalty until forty-five (45) calendar days after (1) the deadline for filing a rehearing request has ended, if no requests for rehearing of the appeal have been filed, or (2) the date that any requests for rehearing of FERC's decision on the appeal are no longer pending before FERC. FERC may excuse the Participating TO from penalties under this Section for good cause.

(4) No penalty will be assessed under this Section where a study is delayed by ten (10) Business Days or less. If the study is delayed by more than ten (10) Business Days, the penalty amount will be calculated from the first Business Day the Participating TO misses the applicable study deadline.

(5) If (a) the CAISO and Participating TO need to extend the deadline for a particular study subject to penalties under this Section and (b) all Interconnection Customers or Affected System Interconnection Customers included in the relevant study mutually agree to such an extension, the deadline for that study will be extended thirty (30) Business Days from the original deadline. In such a scenario, no penalty will be assessed for the Participating TO missing the original deadline.

(6) No penalties will be assessed until the third Cluster Study cycle after the FERC-approved effective date of the CAISO's filing made in compliance with the Final Rule in Docket No. RM22-14-000.

(7) The CAISO must maintain on its Website summary statistics related to penalties assessed under this Section, updated quarterly. For each calendar quarter, the CAISO must calculate and post (1) the total amount of penalties assessed under this Section during the previous reporting quarter and (2) the highest penalty assessed under this Section paid to a single Interconnection Customer or Affected System Interconnection Customer during the previous reporting quarter. The CAISO must post on its Website these penalty amounts for each calendar quarter within thirty (30) calendar days of the end of the calendar quarter. The CAISO must maintain the quarterly measures posted on its Website for three (3) calendar years with the first required posting to be the third Cluster Study cycle under paragraph (6). Each Participating TO will notify the CAISO of its penalties to enable the CAISO to comply with this paragraph (7).

~~Section 4 Independent Study Process[Not used.]~~

~~The CAISO, in coordination with the applicable Participating TO(s), will study Interconnection Requests eligible for treatment under this Independent Study Process independently from other Interconnection Requests.~~

~~In the event of a conflict between this Section 4 and another provision of this GIDAP, Section 4 shall govern.~~

~~4.1 Criteria for Independent Study Process Eligibility~~

~~Any Interconnection Request that meets the following criteria will be processed under the Independent Study Process:~~

~~**4.1.1** The Interconnection Customer must provide, along with its Interconnection Request, an objective demonstration that inclusion in a Queue Cluster will not accommodate the desired Commercial Operation Date for the Generating Facility. As part of this demonstration, the Interconnection Customer must show that the desired Commercial Operation Date is physically and commercially achievable, by demonstrating all of the following:~~

- ~~(i) The Interconnection Customer has obtained, or has demonstrated the ability to obtain, all regulatory approvals and permits needed to complete construction in time to meet the Generating Facility's requested Commercial Operation Date.~~
- ~~(ii) The Interconnection Customer is able to provide, or has demonstrated the ability to obtain, a purchase order for generating equipment specific to the proposed Generating Facility, or a statement signed by an officer or authorized agent of the Interconnection Customer demonstrating that the Interconnection Customer has a commitment for the supply of its major generating equipment in time to meet the Commercial Operation Date through a purchase agreement to which the Interconnection Customer is a party.~~
- ~~(iii) The Interconnection Customer can provide reasonable evidence of adequate financing or other financial resources necessary to make the Interconnection Financial Security postings required in Sections 11.2 and 11.3.~~
- ~~(iv) The Point of Interconnection proposed by the Interconnection Customer must be to either: (1) an existing facility on the CAISO Controlled Grid that does not require any expansion in order to accommodate the interconnection of the Generating Facility; or (2) a facility approved in the Transmission Planning Process or identified as necessary through Interconnection Studies performed for other Interconnection Customers that is fully permitted, is under construction at the time the Interconnection Request is made, and is expected to be in service by the requested Commercial Operation Date of the Generating Facility.~~
- ~~(v) With respect to any Reliability Network Upgrades that are anticipated to be needed to interconnect the Generating Facility, and that are already part of an existing plan of service or have been identified as necessary through Interconnection Studies performed for other Interconnection Customers, or have been identified in the Transmission Planning Process, such Reliability Network Upgrades must be either in service or under construction and have a completion date no later than the requested Commercial Operation Date of the Generating Facility.~~

~~**4.1.2** The Interconnection Customer must demonstrate Site Exclusivity.~~

~~4.1.3~~ The proposed Generating Facility must be electrically independent of Interconnection Requests included in an existing Queue Cluster, pursuant to Section 4.2. In addition, the proposed Generating Facility must be electrically independent of any other Generating Facility that is currently being studied under an earlier-queued Independent Study Process Interconnection Request.

~~4.1.4~~ The CAISO will inform an Interconnection Customer whether it has satisfied the requirements set forth in Sections 4.1.1 and 4.1.2 within thirty (30) calendar days of receiving the Interconnection Request.

~~4.1.5~~ The CAISO will inform an Interconnection Customer whether it has satisfied the requirements set forth in Sections 4.1.3 within thirty (30) calendar days of receiving the data necessary to determine whether the Interconnection Customer has satisfied such requirements. For a proposed Generating Facility in a study area with active Interconnection Requests in the current Queue Cluster or the Independent Study Process, such 30-calendar day period will commence when the Phase I Interconnection Study results are available for the current Queue Cluster and all system impact studies (or combined system impact and facilities studies) have been completed for all earlier-queued Independent Study Process Interconnection Requests in the same study area.

~~4.1.6~~ Any Interconnection Request that does not satisfy the criteria set forth in Sections 4.1.1, 4.1.2, and 4.1.3 shall be deemed withdrawn, without prejudice to the Interconnection Customer submitting a request at a later date, unless the Interconnection Customer notifies the CAISO in writing within ten (10) Business Days that it wishes the CAISO to hold the Interconnection Request for inclusion in the next Queue Cluster Window, in which event the CAISO will do so.

~~4.2~~ **Determination of Electrical Independence**

~~An Interconnection Request will qualify for the Independent Study Process without having to demonstrate electrical independence pursuant to this Section 4.2 if, at the time the Interconnection Request is submitted, there are no other active Interconnection Requests in the same study area in the current Queue Cluster or in the Independent Study Process.~~

~~Otherwise, an Interconnection Request submitted under the Independent Study Process must pass all of the tests for determining electrical independence set forth in this Section 4.2 in order to qualify for the Independent Study Process. These tests will utilize study results for active Interconnection Requests in the same study area, including Phase I Interconnection study results for Generating Facilities in the current Queue Cluster and any system impact study (or combined system impact and facilities study) results for earlier-queued Generating Facilities being studied in the Independent Study Process.~~

~~4.2.1~~ **Flow Impact Test**

~~An Interconnection Request shall have satisfied the requirements of this Section if it satisfies, alternatively, either the set of requirements set forth in Section 4.2.1.1 or the set of requirements set forth in Section 4.2.1.2.~~

~~4.2.1.1~~ **Requirement Set Number One: General Independent Study Requests**

~~The CAISO, in coordination with the applicable Participating TO(s), will perform the flow impact test for an Interconnection Request requesting to be processed under the Independent Study Process as follows:~~

~~(i) Identify the transmission facility closest, in terms of electrical distance, to~~

~~the proposed Point of Interconnection of the Generating Facility being tested that will be electrically impacted, either as a result of Reliability Network Upgrades identified or reasonably expected to be needed in order to alleviate power flow concerns caused by Generating Facilities currently being studied in a Queue Cluster, or as a result of Reliability Network Upgrades identified or reasonably expected to be needed to alleviate power flow concerns caused by earlier queued Generating Facilities currently being studied through the Independent Study Process. If the current Queue Cluster studies or earlier queued Independent Study Process studies have not yet determined which transmission facilities electrically impacted by the Generating Facility being tested require Reliability Network Upgrades to alleviate power flow concerns, and the CAISO cannot reasonably anticipate whether such transmission facilities will require such Reliability Network Upgrades from other data, then the CAISO will wait to conduct the independence analysis under this section until sufficient information exists in order to make this determination. If the flow impact on a Reliability Network Upgrade identified pursuant to these criteria cannot be tested due to the nature of the Upgrade, then the flow impact test will be performed on the limiting element(s) causing the need for the Reliability Network Upgrade.~~

- ~~(ii) The incremental power flow on the transmission facility identified in Section 4.2.1.1(i) that is caused by the Generating Facility being tested will be divided by the lesser of the Generating Facility's size or the transmission facility capacity. If the result is five percent (5%) or less, the Generating Facility shall pass the flow impact test. If the Generating Facility being tested is tested against the nearest transmission facility and that transmission facility has been impacted by a cluster that required an upgrade as a result of a contingency, then that contingency will be used when applying the flow impact test.~~
- ~~(iii) If the Generating Facility being tested under the flow impact test is reasonably expected to impact transmission facilities that were identified, per Section 4.2.1.1(i), when testing one or more earlier queued Generating Facilities currently being studied through the Independent Study Process, then an additional aggregate power flow test shall be performed on these earlier identified transmission facilities. The aggregate power flow test shall require that the aggregated power flow of the Generating Facility being tested, plus the flow of all earlier queued Generating Facilities currently being studied under the Independent Study Process that were tested against the transmission facilities described in the previous sentence, must be five (5) percent or less of those transmission facilities' capacity. However, even if the aggregate power flow on any transmission facility tested pursuant to this section (iii) is greater than five (5) percent of the transmission facility's capacity but the incremental power flow as a result of the Generating Facility being tested is one (1) percent or less than of the transmission facility's capacity, the Generating Facility shall pass the test.~~

~~If the Generating Facility being tested is tested against the nearest transmission facility and that transmission facility has been impacted by a cluster that required an upgrade as a result of a contingency, then that contingency will be used when applying the flow impact test. The Generating Facility being tested must pass both this aggregate test as well as the individual flow test described in Section 4.2.1.1(ii), in no~~

particular order.

~~4.2.1.2 Requirement Set Number Two: for Requests for Independent Study of Behind-the-Meter Capacity Expansion of Generating Facilities~~

~~This Section 4.2.1.2 applies to an Interconnection Request relating to a behind-the-meter capacity expansion of a Generating Facility. Such an Interconnection Request submitted under the Independent Study Process will satisfy the requirements of Section 4.2.1 if it satisfies all of the following technical and business criteria:~~

~~(i) Technical criteria.~~

- ~~1) The behind-the-meter capacity expansion shall not take place until after the original Generating Facility has achieved Commercial Operation and all Reliability Network Upgrades for the original Generating Facility have been placed in service. An Interconnection Request for behind-the-meter capacity expansion may be submitted prior to the Commercial Operation Date of the original Generating Facility.~~
- ~~2) The Interconnection Customer must install an automatic generator tripping scheme sufficient to ensure that the total output of the Generating Facility, including the behind-the-meter capacity expansion, does not at any time exceed the capacity studied in the Generating Facility's original Interconnection Request. The CAISO will have the authority to trip the generating equipment subject to the automatic generator tripping scheme or take any other actions necessary to limit the output of the Generating Facility so that the total output of the Generating Facility does not exceed the originally studied capacity.~~

~~(ii) Business criteria.~~

- ~~1) The Deliverability Status (Full Capacity, Partial Capacity or Energy-Only, and Off-Peak Deliverability Status or Off-Peak Energy Only) of the original Generating Facility will remain the same after the behind-the-meter capacity expansion. The capacity expansion will have Energy-Only, Off-Peak Energy Only Deliverability Statuses unless otherwise specified in this GIDAP, and the original Generating Facility and the behind-the-meter capacity expansion will be metered separately from one another and be assigned separate Resource IDs, except as set forth in (2) below.~~
- ~~2) If the original Generating Facility has Full Capacity Deliverability Status and/or Off-Peak Deliverability Status and the behind-the-meter capacity expansion will use the same technology as the original Generating Facility, the Interconnection Customer may elect to have the original Generating Facility and the behind-the-meter capacity expansion metered together, in which case both the original Generating Facility and the behind-the-meter~~

~~capacity expansion may have Partial Capacity Deliverability Status and Off-Peak Deliverability Status, as applicable, pursuant to CAISO study results to determine Deliverability, and a separate Resource ID will not be established for the behind-the-meter capacity expansion.~~

- ~~3) A request for behind-the-meter expansion shall not operate as a basis under the CAISO Tariff to increase the Deliverability of the Generating Facility beyond what was or would have been allocated to the original Generating Facility before the Interconnection Request for behind-the-meter capacity expansion, unless the expansion has received a separate TP Deliverability allocation pursuant to Section 8.9.2.~~
- ~~4) The GIA will be amended to reflect the revised operational features of the Generating Facility's behind-the-meter capacity expansion.~~
- ~~5) An active Interconnection Customer may at any time request that the CAISO convert the Interconnection Request for behind-the-meter capacity expansion to an Independent Study Process Interconnection Request to evaluate an incremental increase in electrical output (MW generating capacity) for the existing Generating Facility. The Interconnection Customer must accompany such a conversion request with an appropriate Interconnection Study Deposit and agree to comply with other sections of Section 4 applicable to an Independent Study Process Interconnection Request.~~

~~4.2.2 Short Circuit Test~~

~~The Generating Facility shall pass the short circuit test if (i) the combined short circuit contribution from all the active Interconnection Requests in the Independent Study Process in the same study area is less than five (5) percent of the available capacity of the circuit breaker upgrade identified in Section 4.2.1.1 and; (ii) total fault duty on each circuit breaker upgrade identified for the current Queue Cluster and active Independent Study Process Interconnection Requests in the same study area is less than eighty (80) percent of the nameplate capacity of the respective circuit breaker upgrade.~~

~~4.2.3 Transient Stability Test~~

~~The Generating Facility shall pass the transient stability test if the Generating Facility has requested interconnection in a study area where transient stability issues are not identified for active Interconnection Requests in the current Queue Cluster or Independent Study Process.~~

~~4.2.4 Reactive Support Test~~

~~The Generating Facility shall pass the reactive support test if the Generating Facility has requested interconnection in a study area where reactive support needs are not identified as requiring Reliability Network Upgrades for active Interconnection Requests in the current Queue Cluster or Independent Study Process.~~

~~4.3 Scoping Meeting~~

~~Within five (5) Business Days after the CAISO notifies the Interconnection Customer that the~~

~~Generating Facility associated with its Interconnection Request has satisfied the electrical independence test set forth in Section 4.2, the CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. With input from the Participating TO, the CAISO shall evaluate whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, if such is the case, the CAISO shall invite the affected Participating TO(s) and/or Affected System Operator(s), in accordance with Section 3.7, to the Scoping Meeting by informing such third parties, as soon as practicable, of the time and place of the scheduled Scoping Meeting.~~

~~The purpose of the Scoping Meeting shall be to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The applicable Participating TO(s) and the CAISO will bring to the meeting, as reasonably necessary to accomplish its purpose, 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 Appendix 1, any system studies previously performed. The applicable Participating TO(s), the CAISO, 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. The CAISO shall prepare minutes from the meeting, and provide an opportunity for other attendees and the Interconnection Customer to confirm the accuracy thereof. The Scoping Meeting may be omitted by agreement of the Interconnection Customer, Participating TO, and the CAISO.~~

~~The CAISO shall, no later than five (5) Business Days after the Scoping Meeting (or agreement to forego such Scoping Meeting), provide the Interconnection Customer with an Independent Study Process Study Agreement (in the form set forth in Appendix 6 to the GIDAP), which shall contain an outline of the scope of the system impact and facilities study and a non-binding good-faith estimate of the cost to perform the study. The Interconnection Customer shall return the executed Independent Study Process Study Agreement or request an extension of time for good cause within thirty (30) Business Days thereafter, or the Interconnection Request shall be deemed withdrawn.~~

4.4 — System Impact and Facilities Study

~~4.4.1 — The system impact and facilities study will consist of a short circuit analysis, a stability analysis, a power flow analysis, an assessment of the potential magnitude of financial impacts, if any, on Local Furnishing Bonds, and a proposed resolution, and any other studies that are deemed necessary.~~

~~4.4.2 — The system impact and facilities 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. The system impact and 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 study, including, if applicable, the cost of remedial measures that address the financial impacts, if any, on Local Furnishing Bonds. The system impact and facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, motors, and other station equipment, (2) the nature and estimated cost of the Participating TO's Interconnection Facilities and Reliability Network Upgrades necessary to accomplish the Interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities or for effecting remedial measures that address the financial impacts, if any, on Local Furnishing Bonds.~~

~~4.4.3 — The system impact and facilities study will be completed and the results transmitted to~~

~~the Interconnection Customer within one hundred twenty (120) calendar days after the execution of an Independent Study Process Study Agreement. The Interconnection Customer shall execute the agreement(s) and deliver them to the CAISO, and shall make its initial posting of Interconnection Financial Security in accordance with Section 11.2, or its Interconnection Request shall be deemed withdrawn.~~

~~4.4.4 If requested by the Interconnection Customer, a Results Meeting shall be held among the CAISO, the applicable Participating TO(s), and the Interconnection Customer to discuss the results of the system impact and facilities study report, including assigned cost responsibility. The CAISO shall prepare minutes from the meeting. Any such Results Meeting will be held within twenty (20) Business Days of the date the system impact and facilities study report is provided to the Interconnection Customer.~~

~~Should the Interconnection Customer provide written comments on the system impact and facilities study report within ten (10) Business Days of receipt of the report, but in no event fewer than three (3) Business Days before the Results Meeting conducted to discuss the report, whichever is sooner, the CAISO will address the written comments in the 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 CAISO 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 system impact and facilities study report up to three (3) Business Days following the Results Meeting. The CAISO shall include any written comments received from the Interconnection Customer in the final system impact and facilities study report.~~

~~Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine whether it is necessary to follow the final system impact and facilities study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.~~

~~Upon request, the CAISO 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 final system impact or facilities study, subject to confidentiality arrangements consistent with Section 15.1.~~

~~4.4.5 For Interconnection Requests under the Independent Study Process, the postings of Interconnection Financial Security described in Section 11.3 will be based on the cost responsibility for Network Upgrades, and Participating TO's Interconnection Facilities set forth in the system impact and facilities study.~~

4.5 Intentionally left blank.

4.6 Deliverability Assessments

~~Interconnection Customers under the Independent Study Process that request Partial Capacity, Full Capacity Deliverability Status, or Off-Peak Deliverability Status will be deemed to have selected Option (A) under Section 7.2 and will have Deliverability Assessments performed as part of the next scheduled Phase I and Phase II Interconnection Studies for the Queue Cluster study performed for the next Queue Cluster Window that opens after the CAISO received the request. If the Deliverability Assessment identifies any Network Upgrades that are triggered by the Interconnection Request, the Interconnection Customer will be responsible to pay its proportionate share of the costs of those Upgrades, pursuant to Sections 6, 7, and 8, and for~~

~~posting Interconnection Financial Security pursuant to the rules for Interconnection Customers in Queue Clusters pursuant to Section 11. If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete. This Section shall not apply to Interconnection Customers requesting behind-the-meter capacity expansion under Section 4.2.1.2. Separate rules regarding the Deliverability Status of such requests are set forth in that Section.~~

~~4.7 Extensions of Commercial Operation Date~~

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

~~4.8 Generator Interconnection Agreement~~

~~An Interconnection Customer in the Independent Study Process that requests Off-Peak Deliverability Status, Partial Capacity or Full Capacity Deliverability Status must still negotiate and execute a GIA reflecting Off-Peak Energy Only and Energy Only Deliverability Status pursuant to the requirements and timelines set forth in Section 13. Upon the completion of the Deliverability Assessments per Section 4.6, the Interconnection Customer's GIA will be amended as appropriate to reflect the results thereof.~~

Section 5 Fast Track Process

5.1 Applicability and Initiation of Fast Track Process Request

Applicability to a proposed Generating Facility. An Interconnection Customer may request interconnection of a proposed Generating Facility to the CAISO Controlled Grid under the Fast Track Process if the Generating Facility is no larger than 5 MW and is requesting Energy-Only Deliverability Status and if the Interconnection Customer's proposed Generating Facility meets the codes, standards, and certification requirements of Appendices 9 and 10 of this [GIDAPRIS](#), or if the applicable Participating TO notifies the CAISO that it has reviewed the design for or tested the proposed Small Generating Facility and has determined that the proposed Generating Facility may interconnect consistent with Reliability Criteria and Good Utility Practice.

Applicability to an existing Generating Facility. If the Interconnection of an existing Generating Facility meets the qualifications for Interconnection under CAISO Tariff Section 25.1(d) or (e) but, at the same time, the Interconnection Customer also seeks to repower or reconfigure the existing Generating Facility in a manner that increases the gross generating capacity by not more than 5 MW, then the Interconnection Customer may request that the Fast Track Process be applied with respect to the repowering or reconfiguration of the existing Generating Facility that results in the incremental increase in MW.

Initiating the Fast Track Interconnection Request. To initiate an Interconnection Request under the Fast Track Process, and have the Interconnection Request considered for validation the

Interconnection Customer must provide the CAISO with:

- (i) a completed Interconnection Request as set forth in Appendix 1;
- (ii) a non-refundable processing fee of \$500; and
- (iii) a demonstration of Site Exclusivity Control. For the Fast Track Process, such demonstration may include documentation reasonably demonstrating a right to locate the Generating Facility on real estate or real property improvements owned, leased, or otherwise legally held by another.

The CAISO shall review and validate the Fast Track Process Interconnection Request pursuant to Section 5.2.

In the event of a conflict between this Section 5 and another provision of this GIDAPRIS, Section 5 shall govern.

5.2 Initial Review

Within thirty (30) Calendar Days after the CAISO notifies the Interconnection Customer that the Interconnection Request is deemed complete, valid, and ready to be studied, the applicable Participating TO shall perform an initial review using the screens set forth in Section 5.2.1 below, and shall notify the Interconnection Customer of the results in a report that provides the details of and data underlying the Participating TO's determinations under the screens.

5.2.1 Screens

5.2.1.1 The proposed Generating Facility's Point of Interconnection must be on the CAISO Controlled Grid.

5.2.1.2 For interconnection of a proposed Generating Facility to a radial transmission circuit on the CAISO controlled grid, the aggregated generation on the circuit, including the proposed Generating Facility, shall not exceed 15 percent of the line section annual peak load as most recently measured at the substation. For purposes of this Section 5.2.1.2, a line section shall be considered as that portion of a Participating TO's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the transmission line.

This screen will not be required for a proposed interconnection of a Generating Facility to a radial transmission circuit with no load.

In cases where the circuit lacks the telemetry needed to provide the annual peak load measurement data, the CAISO shall use power flow cases from the latest completed Queue Cluster studies (either Phase I or Phase II) to perform this screen.

~~**5.2.1.3** For Generating Facilities requesting Off-Peak Deliverability Status, the CAISO can determine that the Generating Facility can receive Off-Peak Deliverability Status without participating in the Off-Peak Deliverability Assessment and without Off-Peak Network Upgrades. [Not used.]~~

5.2.1.4 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not contribute more than 10 percent to the transmission circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

The CAISO shall use the short circuit study data from the latest completed Queue Cluster studies ~~(either Phase I or Phase II)~~ to test this screen.

5.2.1.5 The proposed Generating Facility, in aggregate with other Generating Facilities on the transmission circuit, shall not cause any transmission 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 percent of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 percent of the short circuit interrupting capability.

The CAISO shall use the short circuit study data from the most recently completed Queue Cluster studies ~~(either Phase I or Phase II)~~ to test this screen.

5.2.1.6 A Generating Facility will fail this initial review, but will be eligible for a supplemental review, if it proposes to interconnect in an area where there are known transient stability, voltage, or thermal limitations identified in the most recently completed Queue Cluster studies or transmission planning process.

5.2.1.7 No construction of facilities by a Participating TO on its own system shall be required to accommodate the proposed Generating Facility.

5.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved. Within fifteen (15) Business Days thereafter, the Participating TO will provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution.

5.2.3 If the proposed interconnection fails the screens, but the CAISO and Participating TO determine that the Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Participating TO shall, within fifteen (15) Business Days, provide the Interconnection Customer with a Small Generator Interconnection Agreement for execution.

5.2.4 If the proposed interconnection fails the screens and the CAISO and Participating TO do 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 Participating TO shall provide the Interconnection Customer with the opportunity to attend a customer options meeting as described in Section 5.4.

5.3 [Not Used]

5.4 Customer Options Meeting

If the CAISO and Participating TO determine 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 CAISO and Participating TO shall notify the Interconnection Customer within five (5) Business Days of that determination and provide copies of all data and analyses underlying their conclusion. Within ten (10) Business Days of the CAISO and Participating TO's determination, the CAISO and Participating TO shall offer to convene a customer options meeting with the CAISO and Participating TO 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 CAISO and Participating TO's determination, or at the customer options

meeting, the CAISO and Participating TO shall:

- 5.4.1 Offer to perform facility modifications or modifications to the Participating TO's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Participating TO's electric system. If the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within ten (10) Business Days of the customer options meeting; or
- 5.4.2 Offer to perform a supplemental review in accordance with Section 5.5 and provide a non-binding good faith estimate of the costs of such review; or
- 5.4.3 Offer to include the Interconnection Request in ~~either the next Queue Cluster Window or the Independent Study Process, subject to the eligibility criteria set forth in Section 4.4,~~ and the provision of the study deposit set forth in Section 3-5. Within fifteen (15) Business Days of the customer options meeting the Interconnection Customer shall provide the CAISO, in writing, with its election on how to proceed with its Interconnection Request. If the Interconnection Customer does not make an election within this time period, the CAISO will deem the Interconnection Request withdrawn.

5.5 Supplemental Review

- 5.5.1 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 good faith estimate determined by the CAISO and Participating TO, both within fifteen (15) Business Days of the offer, or elect one of the options set forth in Section 5.4.3.
- 5.5.2 The Interconnection Customer may specify the order in which the CAISO and Participating TO will complete the screens in Section 5.5.4.
- 5.5.3 The Interconnection Customer shall be responsible for the CAISO and Participating TO'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 CAISO and Participating TO will return such excess, without interest, within twenty (20) Business Days of the invoice.
- 5.5.4 Within thirty (30) Business Days following receipt of the deposit for a supplemental review, or some longer period agreed to by the Interconnection Customer, CAISO, and Participating TO, the CAISO and Participating TO 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 CAISO and Participating TO'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 CAISO and Participating TO shall notify the Interconnection Customer following the failure of any of the screens, or if they are unable to perform the screen in Section 5.5.4.1, 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 Section 5.5.4; (2) terminate the supplemental review and offer the Interconnection Customer the options set forth in Section 5.4.3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

In conducting these screens, the CAISO and Participating TO will use power flow or short circuit study data from the most recently completed Queue Cluster studies (either Phase I or Phase II).

5.5.4.1 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 percent 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 CAISO and Participating TO shall include the reason(s) that they are unable to calculate, estimate or determine minimum load in their supplemental review results notification under Section 5.5.4.

5.5.4.1.1 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 screen 5.5.4.1. 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.

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

5.5.4.1.3 The CAISO and Participating TO 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.

5.5.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section, the proposed Generating Facility shall not cause the violation of voltage standards, as set forth in the CAISO's Planning Standards, on any part of the CAISO Controlled Grid.

5.5.4.3 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 studying the Generating Facility in either the Queue Cluster or Independent Study processes. The CAISO and Participating TO shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.

5.5.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).

5.5.4.3.2 Whether the loading along the line section uniform or even.

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

5.5.4.3.4 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.

5.5.4.3.5 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 circuit/substation may trigger overloads or voltage issues.

5.5.4.3.6 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.

5.5.5 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the Interconnection Request shall be approved and the Participating TO will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in Sections 5.5.5.1 and 5.5.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall be treated in accordance with Section 5.5.5.3 below.

5.5.5.1 If the proposed interconnection passes the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above and does not require construction of facilities by the Participating TO on its own system, the interconnection agreement shall be provided within ten (10) Business Days after the notification of the supplemental review results.

5.5.5.2 If interconnection facilities or minor modifications to the Participating TO's system are required for the proposed interconnection to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, and the Interconnection Customer agrees to pay for the modifications to the Participating TO's electric system, the interconnection agreement, along with 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 after receiving written notification of the supplemental review results.

5.5.5.3 If the proposed interconnection would require more than interconnection facilities or minor modifications to the Participating TO's system to pass the supplemental screens in Sections 5.5.4.1, 5.5.4.2, and 5.5.4.3 above, the CAISO and Participating TO shall notify the Interconnection Customer, at the same time they notify the Interconnection Customer with the supplemental review results, and offer the options set forth in Section 5.4.3 above. If the Interconnection Customer does not make an election within fifteen (15) Business Days, the CAISO will deem the Interconnection Request withdrawn.

~~The provisions of this Section 6 shall apply to all Interconnection Requests except those processed under the Independent Study Process selecting Energy Only Deliverability Status, the Fast Track Process, or the 10 kW inverter process as set forth in Appendix 7.~~

6.1 Initial Activities Following the Close of the Cluster Application Window

6.1.1 [Intentionally Omitted]

6.1.2 Scoping Meeting

During the Customer Engagement Window, the CAISO will hold a Scoping Meeting with all Interconnection Customers whose valid Interconnection Requests were received in that Cluster Application Window.

The purpose of the Cluster Study Scoping Meeting will be to discuss alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would reasonably be expected to impact such interconnection options, to discuss the Cluster Study materials posted to the CAISO Website pursuant to Section 3.5 and 3.6 of this RIS, if applicable, and to analyze such information. The CAISO and the Interconnection Customer(s) will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. The CAISO and the Interconnection Customer(s) also will 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(s) will designate its Point of Interconnection. The duration of the meeting will be sufficient to accomplish its purpose. All Interconnection Customers must execute the non-disclosure agreement under Section 2.3 of this RIS prior to a group Cluster Study Scoping Meeting, which provides for confidentiality of identifying information or commercially sensitive information pertaining to any other Interconnection Customers.

~~The CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. All Scoping Meetings shall occur no later than June 30, unless otherwise mutually agreed upon by the Parties. The CAISO shall evaluate whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) service territory or of any other Affected System(s) so as to potentially affect such third parties, and, in such case, the CAISO shall invite the affected Participating TO(s), and/or Affected System Operator(s) in accordance with 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.~~

~~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 applicable Participating TO(s) and the CAISO 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 Appendix 1, any system studies previously performed. The applicable Participating TO(s), the CAISO 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 Point of Interconnection and any resultant site change must remain within the same study area as the Point of Interconnection submitted in the original Interconnection Request. The duration of the meeting shall be sufficient to accomplish its purpose.~~

~~The CAISO shall prepare minutes from the meeting, and provide the Interconnection Customer and the other attendees an opportunity to confirm the accuracy thereof, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.~~

6.1.3 Grouping Interconnection Requests

The CAISO will assign a Queue Position as follows: the Queue Position within the queue will be assigned based upon the date and time of receipt of all items required pursuant to the provisions of Section 3.5 of this RIS. All Interconnection Requests submitted and validated in a single Cluster Application Window will be considered equally queued.

A higher Queue Position assigned to an Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is assigned a lower Queue Position. All requests studied in a single Cluster will be considered equally queued. Interconnection Customers that are part of Clusters initiated earlier in time than an instant queue will be considered to have a higher Queue Position than Interconnection Customers that are part of Clusters initiated later than an instant queue.

Interconnection Studies performed within the Cluster Study Process will 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 and consistent with Good Utility Practice.

At the CAISO's option, and in coordination with the applicable Participating TO(s), Interconnection Requests received during the Cluster Application Window for a particular year may be studied ~~individually or in a Group Study~~subgroups 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 CAISO may develop one or more ~~Group Studies~~subgroups. A ~~Group Study~~subgroup will include, at the CAISO's sole judgment after coordination with the applicable Participating TO(s), Interconnection Requests that electrically affect one another with respect to the analysis being performed and the annual Transmission Plan, without regard to the nature of the underlying Interconnection Service. The CAISO may also, in its sole judgment after coordination with the applicable Participating TO(s), 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 Cluster Application Window for a particular year. In all instances in which the CAISO elects to use subgroups in the Cluster Study Process, the CAISO must publish the criteria used to define and determine the subgroups on the CAISO Website.

An Interconnection Request's inclusion in a ~~Group Study subgroup~~ will not relieve the CAISO or Participating TO(s) from meeting the timelines for conducting the ~~Phase I Interconnection Cluster~~ Study provided in the ~~GIDAPRIS. Group Studies Subgroups will~~ shall be conducted in such a manner to ensure the efficient implementation of the annual CAISO Transmission Plan in light of the transmission system's capabilities at the time of each study.

6.2. Scope and Purpose of ~~Phase I Interconnection Cluster~~ Study

The ~~Phase I Interconnection Cluster~~ Study ~~shall~~will:

- (i) evaluate the impact of all Interconnection Requests received during the Cluster Application Window for a particular year on the CAISO Controlled Grid;
- (ii) ~~preliminarily~~ identify all LDNUs, ~~LOPNUs~~, and RNUs needed to address the impacts on the CAISO Controlled Grid of the Interconnection Requests, as Assigned Network Upgrades or Conditionally Assigned Network Upgrades;
- (iii) preliminarily identify for each Interconnection Request required Interconnection Facilities;
- (iv) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall transmission upgrades costs;
- (v) establish the estimated, non-binding Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure for each Interconnection Request, until the issuance of the ~~Phase II Interconnection Study report~~Interconnection Facilities Study report;
- ~~(vi) provide a good faith estimate of the cost of Interconnection Facilities for each Interconnection Request;~~
- (vi) provide a cost estimate of ADNUs ~~and AOPNUs~~ for each Generating Facility in a Queue Cluster ~~Group Study~~Study;
- (vii) identify controls required for each Interconnection Request where the Interconnection Customer requested Interconnection Service Capacity lower than the Generating Facility Capacity;
- ~~(ixviii)~~ identify any Precursor Network Upgrades; and
- (ix) identify RNUs as GRNUs or IRNUs.

The ~~Phase I Interconnection Cluster~~ Study will consist of a short circuit analysis, a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak Deliverability Assessment, ~~and an Off-Peak Deliverability Assessment~~ for the purpose of identifying LDNUs ~~and LOPNUs~~ and estimating the cost of ADNUs ~~and AOPNUs~~, as applicable.

The ~~Phase I Interconnection Cluster~~ Study will state for each ~~Group Study subgroup~~ 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 subgroup~~ or to the Interconnection Request studied individually.

The ~~Phase I Interconnection Cluster~~ Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of RNUs, ~~LOPNUs,~~ and LDNUs to the CAISO Controlled Grid that are preliminarily identified as Assigned Network Upgrades or Conditionally Assigned Network Upgrades required as a result of the Interconnection Requests in a ~~Group Study subgroup~~ or as a result of any Interconnection Request studied individually and Participating TO's Interconnection Facilities associated with each Interconnection Request, the estimated costs of ADNUs ~~and AOPNUs,~~ if applicable, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds). For purposes of determining necessary Interconnection Facilities and Network Upgrades, the ~~Phase I Interconnection Cluster~~ Study will consider the level of Interconnection Service Capacity requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

For purposes of determining necessary Interconnection Facilities and Network Upgrades, the Cluster Study will use operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource as requested by the Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. The CAISO may require the inclusion of control technologies sufficient to limit the operation of the Generating Facility per the operating assumptions as set forth in the Interconnection Request and to respond to dispatch instructions by the CAISO. As determined by the CAISO, the Interconnection Customer may be subject to testing and validation of those control technologies consistent with Article 6 of the LGIA and Article 2 of the SGIA.

The Cluster Study will evaluate the use of static synchronous compensators, static VAR compensators, advanced power flow control devices, transmission switching, synchronous condensers, voltage source converters, advanced conductors, and tower lifting. The CAISO and Participating TO will evaluate each identified alternative transmission technology and determine whether the above technologies should be used, consistent with Good Utility Practice, and Applicable Laws and Regulations. The CAISO and Participating TO will include an explanation of the results of the evaluation for each technology in the Cluster Study Report.

6.3 Identification of and Cost Allocation for Network Upgrades

6.3.1 Reliability Network Upgrades (RNUs).

The CAISO, in coordination with the applicable Participating TO(s), will perform short circuit and stability analyses for each Interconnection Request either individually or as part of a ~~Group Study subgroup~~ to preliminarily identify the RNUs needed to interconnect the Generating Facilities to the CAISO Controlled Grid. The CAISO, in coordination with the applicable Participating TO(s), 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 subgroup~~ to identify Reliability Criteria violations, including applicable thermal overloads, that must be mitigated by RNUs.

The cost of all RNUs identified in the ~~Phase I Interconnection Cluster~~ Study shall be estimated in accordance with Section 6.4. The estimated costs of short circuit related GRNUs identified through a ~~Group Study subgroup~~ shall be assigned to all Interconnection Requests in that ~~Group Study subgroup~~ pro rata on the basis of the short circuit duty contribution of each Generating Facility. The estimated costs of all other GRNUs identified through a ~~Group Study subgroup~~ shall be assigned to all Interconnection Requests in that ~~Group Study subgroup~~ pro rata on the basis of the maximum megawatt electrical output of each proposed new Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request. The

estimated costs of RNUs identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request.

~~Pursuant to Section 8.3, Interconnection Customers assigned IRNUs in their Phase I Interconnection Cluster Study will be allocated the full cost of the IRNUs in their Maximum Cost Responsibility. The Maximum Cost Exposure will include the full costs of conditionally assigned IRNUs. The Current Cost Responsibility will include their allocated share of IRNU costs as determined for RNUs in Section 8.3.~~

6.3.2 Delivery Network Upgrades.

6.3.2.1 The On-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform On-Peak Deliverability Assessments for Interconnection Customers selecting Full Capacity or Partial Capacity Deliverability Status in their Interconnection Requests. ~~Interconnection Customers may request Full or Partial Capacity Deliverability Status regardless of their requested Off-Peak Deliverability Status.~~ The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Generating Facility's ability to deliver its Energy to the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Generating Facility with Full Capacity or Partial Capacity Deliverability Status, accounting for Generating Facilities that include at least one electric storage resource that request to use, and for which the CAISO approves, operating assumptions pursuant to Section 3.1. The Deliverability Assessment will consist of two rounds, the first of which will identify any transmission constraints that limit the Deliverability of the Generating Facilities in the ~~Group Study Cluster Study~~ and will identify LDNUs to relieve the local constraints, and second of which will determine ADNUs to relieve the area constraints. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point, nor guarantee any level of deliverability, or transmission capacity, or avoided curtailment.

6.3.2.1.1 Local Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used to establish the Maximum Cost Responsibility and Maximum Cost Exposure for LDNUs for each Interconnection Customer selecting Full Capacity or Partial Capacity Deliverability Status. Deliverability of a new Generating Facility will be assessed on the same basis as all existing resources interconnected to the CAISO Controlled Grid.

The methodology for the On-Peak Deliverability Assessment will be published on the CAISO Website or, when effective, included in a CAISO Business Practice Manual. The On-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point.

The cost of LDNUs identified in the On-Peak Deliverability Assessment as part of a Phase I Interconnection Cluster Study shall be estimated in accordance with Section 6.4. The estimated costs of Delivery Network Upgrades identified in the On-Peak Deliverability Assessment shall be assigned to all

Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

6.3.2.1.2 Area Delivery Network Upgrades

The On-Peak Deliverability Assessment will be used in the ~~Phase I Interconnection Cluster Studies~~ to identify those facilities necessary to provide the incremental Deliverability between the level of TP Deliverability and such additional amount of Deliverability as is necessary for the MW capacity amount of generation targeted in the ~~Phase I Interconnection Cluster Studies~~. Based on such facility cost estimates, the CAISO will calculate a rate for ADNU costs equal to the facility cost estimate divided by the additional amount of Deliverability targeted in the study. The ~~Phase I Interconnection Cluster Studies~~ shall will provide a cost estimate for each Interconnection Customer which equals the rate multiplied by the requested deliverable MW capacity of the Generating Facility in the Interconnection Request.

6.3.2.1.3 [Intentionally Omitted]

6.3.2.2 Off-Peak Deliverability Assessment [Not Used].

~~The CAISO, in coordination with the applicable Participating TO(s), shall perform an Off-Peak Deliverability Assessment for Interconnection Customers selecting Off-Peak Deliverability Status. The Off-Peak Deliverability Assessment will identify transmission upgrades in addition to those Delivery Network Upgrades identified in the On-Peak Deliverability Assessment, if any, for a Group Study or individual Phase I Interconnection Study that includes one or more Location Constrained Resource Interconnection Generators (LCRIG), where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. Interconnection Customers that (i) are not LCRIGs whose fuel source or source of energy substantially occurs off-peak, and (ii) have Full or Partial Capacity Deliverability Status, will receive Off-Peak Deliverability Status without triggering Off-Peak Network Upgrades. Energy Only Interconnection Customers that are not LCRIGs whose fuel source or source of energy substantially occurs off-peak will be Off-Peak Energy Only. LCRIGs whose fuel source or source of energy substantially occurs off-peak will receive Off-Peak Deliverability Status based upon the Off-Peak Deliverability Assessment, regardless of their On-Peak Deliverability Status.~~

~~The transmission upgrades identified under this Section shall comprise those needed for the expected output of each proposed new LCRIG or the amount of megawatt increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Group Study, to be deliverable to the aggregate of Load on the CAISO Controlled Grid under the Generation dispatch conditions studied without excessive curtailment. The methodology for the Off-Peak Deliverability Assessment will be published on the CAISO Website or, if applicable, included in a CAISO Business Practice Manual.~~

~~The CAISO will perform the Off-Peak Deliverability Assessment to identify Off-~~

~~Peak Network Upgrades required for Generating Facilities to achieve Off-Peak Deliverability Status, and any such upgrades identified in the Off-Peak Deliverability Assessment as part of the Phase I Interconnection Study shall be estimated in accordance with Section 6.4. The Off-Peak Deliverability Assessment does not convey any right to deliver electricity to any specific customer or Delivery Point, nor guarantee any level of deliverability, or transmission capacity, or avoided curtailment.~~

~~The estimated costs of Local Off-Peak Network Upgrades identified in the Off-Peak Deliverability Assessment will be assigned or conditionally assigned to Interconnection Requests selecting Off-Peak Deliverability Status based on the flow impact of each such Generating Facility on the Off-Peak Network Upgrades as determined by the Generation distribution factor methodology set forth in the Off-Peak Deliverability Assessment methodology.~~

~~The estimated costs of Area Off-Peak Network Upgrades are for information only and not assigned to any Interconnection Requests.~~

6.3.2.3 ~~Transition to Off-Peak Deliverability Status~~[Not Used.]

~~Active CAISO Interconnection Requests received before March 3, 2020 for Energy Only Generating Facilities that would be eligible to receive Off-Peak Deliverability Status pursuant to this Section 6.3.2 will have a one-time opportunity to request Off-Peak Deliverability Status. Notwithstanding any provision of this , if such Interconnection Customers request Off-Peak Deliverability Status, the CAISO will study those requests in the next Interconnection Study, and assign any required Local Off-Peak Network Upgrades to them pursuant to this Section 6.3.2, and their Interconnection Studies will be amended to include the assigned costs for those Network Upgrades. Such Interconnection Customers' GIAs, Current Cost Responsibilities, Maximum Cost Responsibilities, and Maximum Cost Exposures also will be amended to reflect the additional costs of assigned Local Off-Peak Network Upgrades.~~

~~All CAISO Interconnection Requests for Full Capacity Deliverability Status or Partial Capacity Deliverability Status received before March 3, 2020 will automatically receive Off-Peak Deliverability Status. All CAISO Interconnection Requests received before March 3, 2020 for Generating Facilities that are not Location Constrained Resource Interconnection Generators, regardless of Deliverability Status, will automatically receive Off-Peak Deliverability Status.~~

6.3.3 Interconnection Facilities

The costs of any needed Interconnection Facilities identified in the Cluster Study Process will be directly assigned to the Interconnection Customer(s) using such facilities. Where Interconnection Customers in the Cluster agree to share Interconnection Facilities, the cost of such Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing use of such Interconnection Facilities on a per capita basis (i.e., on a per Generating Facility basis), unless Parties mutually agree to a different cost sharing arrangement.

6.4 Use of Per Unit Costs to Estimate Network Upgrade and PTO Interconnection Facilities Costs

Each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems.

These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Network Upgrades and Participating TO's Interconnection Facilities. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

Prior to adoption and publication of final per unit costs for use in the Interconnection Study Cycle, the CAISO shall publish to the CAISO Website draft per unit costs, including non-confidential information regarding the bases therefore, hold a stakeholder meeting to address the draft per unit costs, and permit stakeholders to provide comments on the draft per unit costs. A schedule for the release and review of per unit costs is set forth in Appendix 5.

6.5 Assigned and Contingent Facilities

The CAISO and Participating TO will provide, upon request of the Interconnection Customer, its estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each Assigned Network Upgrade, Conditionally Assigned Network Upgrade, or Precursor Network Upgrade when this information is readily available and not commercially sensitive.

6.6 ~~Phase I Interconnection Cluster~~ Study Procedures

The CAISO shall coordinate the ~~Phase I Interconnection Cluster~~ Study with applicable Participating TO(s) pursuant to Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to Section 3.7. Existing studies shall be used to the extent practicable when conducting the ~~Phase I Interconnection Cluster~~ Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO ~~shall use Reasonable Efforts to will~~ complete and issue to Interconnection Customers the ~~Phase I Interconnection Cluster~~ Study report within ~~two one hundred and fifty (150) days~~ ~~(150/200)~~ days after the commencement of the ~~Phase I Interconnection Cluster~~ Study for ~~Queue Cluster 5 and within one hundred seventy (170) days after the annual commencement of the Phase I Interconnection Study beginning with Queue Cluster 6~~; however, ~~each individual study or Group Studies the Cluster Study~~ 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 Section 15.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final ~~Phase I Interconnection Cluster~~ Study report to the Interconnection Customer. ~~At the time of completion of the Phase I Interconnection Study, the CAISO may, at the Interconnection Customer's request, determine whether the provisions of Section 8.6 apply.~~

At any time the CAISO determines that it will not meet the required time frame for completing the ~~Phase I Interconnection Cluster~~ Study due to the large number of Interconnection Requests in the associated Cluster Application Window, study complexity, or unavailability of subcontractors on a reasonable basis to perform the study in the required time frame, the CAISO shall notify the

Interconnection Customers as to the schedule status of the Phase I Interconnection Cluster Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the CAISO 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 Cluster Study, subject to confidentiality arrangements consistent with Section 15.1.

6.7 Phase I Interconnection Cluster Study Results Report Meeting

Within ten (10) Business Days of simultaneously furnishing a Cluster Study Report to each Interconnection Customer within the Cluster and posting such report on the CAISO Website, the CAISO will convene a Cluster Study Report Meeting.

~~Within thirty (30) calendar days of issuing the Phase I Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility. The CAISO shall prepare the minutes from the meetings, and provide the Interconnection Customer and the other attendees an opportunity to confirm the accuracy thereof.~~

~~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 CAISO 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 CAISO 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 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 CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than fifteen (15) Business Days following the Results Meeting.~~

6.7.1 Commercial Operation Date [Not used].

~~At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible Remedial Action Scheme, 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 CAISO and Participating TO, which agreement shall not be unreasonably~~

~~withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), 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 applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under Section 15.5. The Interconnection Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under Section 15.5.~~

6.7.2 Modifications.

6.7.2.1 At any time during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO 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 while retaining its Queue Position. To the extent the identified changes are acceptable to the applicable Participating TO(s), the CAISO, and Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO 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. Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, Participating TO, or the CAISO 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 CAISO, the Participating TO, and the Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO will modify the Point of Interconnection prior to the end of the Customer Engagement Window.

6.7.2.2 ~~At the Phase I Interconnection Study Results Meeting Prior to the end of the Customer Engagement Window, 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 the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt.~~

~~M~~modifications permitted under this Section shall include specifically:

- (a) a decrease in the electrical output (MW) of the proposed project; through either (1) a decrease in Generating Facility Capacity or (2) a decrease in Interconnection Service Capacity (consistent with the process described in Section 3.1) accomplished by CAISO-approved limiting equipment;
- (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, Trial

Operation Date, and/or Commercial Operation Date that meets the criteria set forth in Section 3.5.1.4 and is acceptable to the applicable Participating TO(s) and the CAISO, such acceptance not to be unreasonably withheld;

- (e) change in Point of Interconnection as set forth in Section 6.7.2.1;
- (f) change in Deliverability Status to Energy Only Deliverability Status, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status; and
- (g) Permissible Technological Advancements consistent with Section 6.7.2.4; and

~~(h) change from Off-Peak Deliverability Status to Off-Peak Energy Only.~~

For plant increases, the incremental increase in plant output will go in the next Cluster Application Window for the purposes of cost allocation and study analysis. For any modification other than these, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification. The CAISO and Participating TO will study the addition of a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect the proposed charging behavior of the Generating Facility as requested by the Interconnection Customer, unless the CAISO and Participating TO determine that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2, and such costs shall be included in any CAISO invoice for modification assessment activities. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this Section, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Prior to the return of the executed Interconnection Facilities Study Agreement to the CAISO, the modifications permitted under this Section will include specifically:

- ~~(a) additional fifteen percent (15%) decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying the CAISO-approved injection-limiting equipment;~~
- ~~(b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and~~

(c) a Permissible Technological Advancement for the Generating Facility after the submission of the Interconnection Request. Section 6.7.2.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 6.7.2.2(c) is a Material Modification. Appendix A to the CAISO Tariff contains a definition of Permissible Technological Advancement.

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

If any Interconnection Customer requested modification after the Cluster Study ~~Phase II Interconnection Study~~ report would change the scope, schedule, or cost of the Interconnection Facilities or Network Upgrades, the CAISO will issue a report to the Interconnection Customer. Potential adjustments to the Maximum Cost Responsibility or Maximum Cost Exposure for Network Upgrades for the Interconnection Customer will be determined in accordance with Section 7.4.3.

6.7.2.3 The Interconnection Customer shall provide the CAISO 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 CAISO 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. Any request for modification of the Interconnection Request must be accompanied by any resulting updates to the models described in Attachment A to Appendix 1 of this RIS. If the modification request results in a change to the Interconnection Facilities or Network Upgrades the modification assessment could take up to ninety (90) total calendar days. If the modification assessment cannot be completed within that time period, the CAISO 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 CAISO and applicable Participating TO(s) 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. 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 30 days of being invoiced. The CAISO shall coordinate the modification request with the Participating TO(s). The Participating TO(s) shall invoice the CAISO for any assessment work within seventy-five (75) calendar days of completion of the assessment, and, within thirty (30) days thereafter, the CAISO shall issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the assessment.

The CAISO will publish cost data regarding modification assessments in accordance with the terms set forth in a Business Practice Manual.

Notwithstanding any other provision, all refunds pursuant to this Appendix ~~DD-KK~~ will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not

provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

6.7.2.4 Interconnection Customers may request Permissible Technological Advancements. Permissible Technological Advancements may include, for example, removing equipment; aligning the Commercial Operation Date with an executed power purchase agreement; adding less than 5 MW of energy storage once without increasing the net output at the Point of Interconnection; and other changes that have little or no potential to affect other Interconnection Customers or Affected Systems, require a new Interconnection Request, or otherwise require a re-study or evaluation. The CAISO will update its Business Practice Manual to list any additional Permissible Technological Advancement approved but not specifically enumerated here when identified. The Interconnection Customer's written request to evaluate technological advancements must include the technical data required to assess the request.

For all Permissible Technological Advancement requests not expressly enumerated in this Section or the Business Practice Manual, the CAISO and Participating TO will determine whether such change would constitute a Material Modification. Such evaluation will include an analysis of the short circuit capability limits, steady-state thermal and voltage limits, or dynamic system stability, and impact on other Interconnection Customers. The CAISO will determine whether a Permissible Technological Advancement request is a Material Modification within thirty (30) calendar days of receipt of the request. Interconnection Customers requesting Permissible Technological Advancements must pay a non-refundable fee of \$2,500.

6.7.2.5 Notwithstanding any other provisions in this [GIDAPRIS](#) or the Interconnection Customer's GIA, the Interconnection Customer may not modify its fuel type, including through the addition or replacement of Generating Units, by more than the greater of five percent (5%) of its capacity or 10 MW (but by no more than twenty-five percent (25%) of its capacity), where:

- (a) the Interconnection Customer has exceeded seven (7) years from the date the CAISO received its Interconnection Request without achieving its Commercial Operation Date;
- (b) the Interconnection Customer's current Commercial Operation Date exceeds seven (7) years from the date the CAISO received its Interconnection Request; or
- (c) the change in fuel type will require the Interconnection Customer's Commercial Operation Date to exceed seven (7) years from the date the CAISO received its Interconnection Request.

The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as fuel-type modifications. Interconnection Customers may request such modifications pursuant to this [GIDAPRIS](#).

6.7.2.6 In addition to the options provided in this [GIDAPRIS](#), an Interconnection Customer may convert to Energy Only, Partial Capacity Deliverability Status, or a lower fraction of Partial Capacity Deliverability Status after the completion of its [Phase II Interconnection-Interconnection Facilities](#) Study. This conversion will

become effective through the reassessment process described in Section 7.4. Except (i) as provided in Section 8.9.3.2 (ii) due to not receiving the requested TP Deliverability allocation, or (iii) due to declining a TP Deliverability allocation, Interconnection Customers that become Energy Only after their ~~Phase II Interconnection~~ Interconnection Facilities Study may not reduce their cost responsibility ~~or Interconnection Financial Security~~ for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

6.7.2.7 Interconnection Customers may request to downsize their Interconnection Service Capacity pursuant to Section 6.7.2.3. Interconnection Customers with Network Upgrades requesting to downsize will not see the impacts to their Network Upgrades or cost responsibility until the CAISO publishes the reassessment results that include the downsized capacity pursuant to Section 7.4 unless the CAISO can determine the impacts prior to the reassessment. Interconnection Customers with Network Upgrades must submit downsizing requests, including the \$10,000 deposit, by ~~November~~ May 30 to be included in the following annual reassessment. Once the CAISO publishes the reassessment results, the Participating TO will tender a draft amendment to the Interconnection Customer's Generator Interconnection Agreement to incorporate any required changes. If an Interconnection withdraws or is deemed withdrawn, any partial recovery of ~~the Interconnection Financial Security for Network Upgrades deposits or penalties under Sections 11.4.2.1 and 11.4.2.2~~ will be calculated based on the Generating Facility's most recent MW capacity prior to its downsizing request.

A downsizing generator will continue to be obligated to finance the costs of (1) Network Upgrades that its Generating Facility previously triggered, and (2) Network Upgrades that are alternatives to the previously triggered Network Upgrades, if such previously triggered Network Upgrades or alternative Network Upgrades are needed by Interconnection Customers in the same Queue Cluster or later-queued Interconnection Customers, up to the Maximum Cost Exposure of the downsizing generator as determined by the CAISO Tariff interconnection study procedures applicable to the downsizing generator. For determining any changes to a downsizing generator's Network Upgrade cost responsibilities as a result of a reassessment process conducted pursuant to Section 7.4, the CAISO will reallocate the costs of Network Upgrades that are still needed based on the downsizing generator's pre-downsizing share of the original cost allocation.

6.7.2.8 Additional Generation

The Interconnection Customer may request, and the CAISO and Participating TO will evaluate, the addition to the Interconnection Request of a Generating Unit with the same Point of Interconnection indicated in the initial Interconnection Request, if the addition of the Generating Unit does not increase the requested Interconnection Service level. The CAISO and Participating TO must evaluate such modifications prior to deeming them a Material Modification, but only if the Interconnection Customer submits them prior to the return of the executed Interconnection Facilities Study Agreement by the Interconnection Customer to the CAISO. Interconnection Customers requesting that such a modification be evaluated must demonstrate the required Site Control at the time such request is made.

6.7.3 ~~Re-calculation of Initial Financial Security Posting [Not Used]~~

~~The CAISO, in coordination with the applicable Participating TO(s), may determine, based on best engineering judgment, whether modifications, withdrawals, or system changes eliminate the need for any Network Upgrades identified in the Phase I Interconnection Study report. The CAISO and applicable Participating TO(s) will not conduct any re-studies in making this determination.~~

~~If the CAISO and applicable Participating TO(s) should determine that one or more 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 Financial Security Posting under Section 11.2, such 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 Section 11.2. The CAISO will inform in a timely manner any Interconnection Customers so affected, and provide the Interconnection Customers with written notice of the revised initial Interconnection Financial Security posting amounts. No determination under this Section 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.~~

6.7.4 Commercial Viability Criteria for Retention of Deliverability beyond Seven Years in Queue

The CAISO's agreement to modifications requested by the Interconnection Customer pursuant to Section 6.7.2.3 for a Generating Facility with a Commercial Operation Date that has exceeded or will exceed seven (7) years from the date the Interconnection Request is received by the CAISO with retention of TP Deliverability will be predicated upon the Interconnection Customer's ability to meet and maintain the following commercial viability criteria:

- a) Providing proof of having, at a minimum, applied for the necessary governmental permits or authorizations, and that the permitting authority has deemed such documentation as data adequate for the authority to initiate its review process;
- b) Providing proof of having an executed power purchase agreement. Power purchase agreements must have the Point of Interconnection, capacity, fuel type, technology, and site location in common with the Interconnection Customer and GIA;
- c) Demonstrating Site Exclusivity Control for 100% of the property necessary to construct the facility through the Commercial Operation Date requested in the modification request. A Site Exclusivity Control Deposit does not satisfy this criterion;
- d) Having an executed Generator Interconnection Agreement ("GIA"); and
- e) Being in good standing with the GIA such that neither the Participating TO nor the CAISO has provided a Notice of Breach that has not been cured and the Interconnection Customer has not commenced sufficient curative actions.

~~Interconnection Customers that satisfied these commercial viability criteria before~~

~~November 27, 2018 on the basis of balance sheet or binding financing may continue to do so in their annual review.~~ The CAISO'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 Section 8.9.3 to retain TP Deliverability. The CAISO will not consider the addition of energy storage; changes to the type, number, or manufacturer of inverters; or insubstantial changes to the Generating Facility as modifications under this Section. Interconnection Customers may request such modifications pursuant to this GIDAPRIS.

If the Interconnection Customer fails to meet all of the commercial viability criteria but informs the CAISO that it intends to proceed with the modified Commercial Operation Date, the Generating Facility's Deliverability Status will become Energy Only Deliverability Status. Interconnection Customers that become Energy Only for failure to meet these criteria may not reduce their cost responsibility or Commercial Readiness Deposit or GIA Deposit or Interconnection Financial Security for any assigned Delivery Network Upgrades as a result of converting to Energy Only unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

If an Interconnection Customer satisfies all the commercial viability criteria except criterion (b), the CAISO will postpone converting the Generating Facility to Energy-Only Deliverability Status for one year from the day the Interconnection Customer submits the modification request, or eight years after the CAISO received the Interconnection Request, whichever occurs later. Interconnection Customers exercising this provision must continue to meet all other commercial viability criteria.

If an Interconnection Customer has declared Commercial Operation for a portion of a Generating Facility, or one or more Phases of a Phased Generating Facility, the CAISO will not convert to Energy-Only the portion of the Generating Facility that is in service and operating in the CAISO markets. Instead, the portion of the Generating Facility that has not been developed will be converted to Energy-Only Deliverability Status, resulting in Partial Capacity Deliverability Status for the Generating Facility. However, where the Generating Facility has multiple Resource IDs for the Generating Facility, each Resource ID will have its own Deliverability Status independent from the Generating Facility. Any individual Resource ID may have Full Capacity Deliverability Status where the Generating Facility as a whole would have Partial Capacity Deliverability Status. If the Generating Facility downsizes to the amount in service and operating in the CAISO markets, it will revert to Full Capacity Deliverability Status.

Interconnection Customers in Queue Cluster 7 and beyond whose Phase II Interconnection Cluster Study reports require a timeline beyond the seven-year threshold are exempt from the commercial viability criteria in this section provided that they modify their Commercial Operation Dates within six (6) months of the CAISO's publishing the Phase II Interconnection Study report. This exemption is inapplicable to report addenda or revisions required by a request from an Interconnection Customer for any reason.

6.7.4.1 Annual Review

For Interconnection Customers extending their Commercial Operation Date beyond the seven-year threshold and retaining their TP Deliverability pursuant to Section 6.7.4, the CAISO will perform an annual review of commercial viability. If any Interconnection Customer fails to maintain its level of commercial viability, the Deliverability Status of the Generating Facility corresponding to the Interconnection Request will convert to Energy-Only Deliverability Status.

6.7.5 Alignment with Power Purchase Agreements

An Interconnection Customer with an executed GIA and an executed power purchase agreement may request to automatically extend the GIA Commercial Operation Date to align with its power purchase agreement for that Generating Facility, including any extension or amendment. Interconnection Customers requesting alignment must (1) provide a copy of the power purchase agreement, and (2) confirm the power purchase agreement's standing and details in the annual TP Deliverability affidavit process. Requests to align the Commercial Operation Date with power purchase agreements are not exempt from the commercial viability criteria provisions in Section 6.7.4, where applicable.

6.8 Revisions and Addenda to Final Interconnection Study Reports

6.8.1 Substantial Error or Omissions; Revised Study Report

Should the CAISO discover, through written comments submitted by an Interconnection Customer or otherwise, that a final ~~Phase I or Phase II~~ Interconnection Study Report (which can mean a final ~~Phase I or Phase II Interconnection Study Report for cluster studies or a final system impact and facilities report for the Independent Study Process Cluster Study report or Interconnection Facilities Study report~~) contains a substantial error or omission, the CAISO 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 Current Cost Responsibility, Maximum Cost Responsibility, Maximum Cost Exposure, and Participating TO Interconnection Facilities, as set by the Interconnection Facilities Study, by more than five (5) percent or one million dollars (\$1,000,000), whichever is greater;
- (ii) delay of the Commercial Operation Date, In-Service Date, or requested Deliverability Status by more than one year; or
- (iii) termination of the Interconnection Customer's power purchase agreement.

The CAISO will include examples of how Interconnection Customers can demonstrate power purchase agreement terminations in the Business Practice Manual. The CAISO will confirm power purchase agreement terminations with the Interconnection Customer's counterparty.

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. Changes to Interconnection Studies resulting from Interconnection Customer requests, including without limitation, modifications, suspensions, or failures to meet GIA milestones, are not considered errors or omissions.

6.8.2 Other Errors or Omissions; Addendum

If an error or omission in an Interconnection Study report (~~for either the cluster process or Independent Study Process~~) is not a substantial error or omission, the CAISO 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 CAISO shall document such error or omission and make any appropriate correction by issuing an addendum to the final report.

The CAISO and applicable Participating TO 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 Section 13.

6.8.3 Only Substantial Errors or Omissions Adjust Posting Dates

For Clusters 14 and previous: 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 Section 6.8 no longer apply. Any error or omission found after the second Interconnecting Financial Security posting will not impact the Interconnection Customer's Assigned Cost Responsibility, Maximum Cost Responsibility, or Maximum Cost Exposure.

Unless the error or omission is substantial, resulting in the issuance of a revised final Interconnection Study report, the correction of an error or omission will not delay any deadline for posting Interconnection Financial Security ~~set forth in Section 11.~~ 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 Section 11. In addition to issuing a revised final report, the CAISO 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 CAISO determination that an error or omission in a final Study ~~R~~ 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 ~~Section 11~~ this RIS, subject to refund in the event that the Interconnection Customer prevails in the dispute.

6.8.4 Substantial Errors or Omissions Allowing Refunds

Notwithstanding Sections ~~3.5.1 and 11.4~~, after the Interconnection Customer has posted its ~~Initial second Interconnection Financial Security Commercial Readiness Deposit~~, it is eligible for a one-hundred percent (100%) refund of its remaining, unspent ~~Interconnection Financial Security Commercial Readiness Deposit~~ and all remaining, unspent ~~Interconnection Study Deposit~~ funds if:

- (i) it receives a substantial error or omission; and
- (ii) it withdraws its Interconnection Request within sixty (60) days of the publication of the revised Study Report or the termination of its power purchase agreement resulting from the substantial error or omission, as applicable.

Section 7 Annual Reassessment, Cluster Restudy, and Activities in Preparation for ~~Phase II the Interconnection Facilities Study~~

~~Within ten (10) Business Days following the Phase I Interconnection Study Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form to Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to the Generator Interconnection Study Process Agreement. The CAISO and Participating TO will determine whether the Appendix B data is valid. Appendix B data will be deemed valid if it does not contain deficiencies that would prevent inclusion in the Phase II Interconnection Studies. Deficiencies include but are not limited to modeling errors, inaccurate data, and unusable files. The CAISO and Participating TO will notify the Interconnection Customer whether its Appendix B data is valid or contains deficiencies within ten (10) Business Days of the initial and any subsequent submission. Interconnection Customers must cure any deficiency within five (5) Business Days. All Appendices B must be deemed valid within seventy (70) days of the publication of the Phase I Interconnection Study to be included in the Phase II Interconnection Studies. Within such Appendix B, Interconnection Customers seeking Full or Partial Deliverability Capacity will provide the information in 7.2 below:~~

7.1 [Not Used]

7.2 Full/Partial Capacity Deliverability Options for Interconnection Customers

This section applies to Interconnection Requests for which the Generating Facility Deliverability Status is either Full Capacity or Partial Capacity.

Within ~~such~~ Appendix B, the Interconnection Facilities Study 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 Section 11.2a Commercial Readiness Deposit and GIA Deposit~~ for the cost responsibility assigned to it in the Phase I Interconnection Cluster Study for RNUs, LOPNUs, and LDNUs; or,

Option (B), which means that the Interconnection Customer will assume cost responsibility for Delivery Network Upgrades (both ADNUs and LDNUs, to the extent applicable) without cash repayment under Section 14.2.1 to the extent that sufficient TP Deliverability is not allocated to the Generating Facility to provide its requested 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 Section 11.2a Commercial Readiness Deposit and GIA Deposit~~ for the cost responsibility assigned to it in the Phase I Interconnection Cluster Study for RNUs, LDNUs, LOPNUs, and ADNUs. To qualify to receive any allocation of TP Deliverability, Interconnection Customers selecting Option (B) must still meet the minimum criteria identified in Section 8.9.2.

7.3 Postings and Cost Estimates for Network Upgrades [Not Used]

~~Notwithstanding the Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure, until such time as the Phase II Interconnection Study report is issued to the Interconnection Customer, the allocated costs for Assigned Network Upgrades for each Interconnection Customer for RNUs, LOPNUs, and LDNUs in the Phase I Interconnection Study report shall establish the value for~~

- ~~(i) each Interconnection Customer's Current Cost Responsibility; and~~
- ~~(ii) the initial posting of Interconnection Financial Security required from each Interconnection Customer under Section 11.2 for such Network Upgrades.~~

7.4 Reassessment Process

~~7.4.1~~—The CAISO will perform a reassessment of the ~~Phase I Interconnection Study Base Case~~ ~~prior to the beginning of the GIDAP Phase II Interconnection Studies after each Cluster Study~~. The reassessment will evaluate the impacts on those Network Upgrades identified in previous interconnection studies and assumed in the ~~Phase I Interconnection Cluster~~ Study of:

- (a) Interconnection Request withdrawals occurring after the completion of the ~~Phase I~~ Interconnection Studies for the immediately preceding Queue Cluster;
- (b) downsizing requests from Interconnection Customers pursuant to Section 6.7.2.3;
- (c) the performance of earlier queued Interconnection Customers with executed GIAs with respect to required milestones and other obligations;
- (d) changes in TP Deliverability allocations or Deliverability Status;
- (e) the results of the TP Deliverability allocation from the prior Interconnection Study cycle; and,
- (f) transmission additions and upgrades approved or removed in the most recent TPP cycle.

~~The reassessment will be used to develop the base case for the Phase II Interconnection Study. The CAISO will complete the annual reassessment, including the Cluster Restudy, within one hundred eighty (180) days of the Cluster Study Report Meeting.~~

7.4.1 Cluster Study Restudy

The CAISO will conduct the Cluster Study Restudy as part of the annual reassessment of the Base Case pursuant to Section 7.4.

- (1) Within twenty (20) days after the Cluster Study Report Meeting, the Interconnection Customer must provide the following:
 - (a) Demonstration of continued Site Control pursuant to Section 3.5.1 of this RIS; and
 - (b) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to five percent (5%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to its demonstration of Site Control under Section 3.5.1 of this RIS. Upon the CAISO determining that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

- (2) If no Interconnection Customer withdraws from the Cluster after completion of the Cluster

Study or Cluster Restudy or is deemed withdrawn pursuant to Section 3.8 of this RIS after completion of the Cluster Study or Cluster Restudy, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required.

- (3) If one or more Interconnection Customers withdraw from the Cluster or are deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will conduct a Cluster Restudy as part of the annual reassessment. If the CAISO determines a Cluster Restudy is not necessary, the CAISO will notify Interconnection Customers in the Cluster that a Cluster Restudy is not required and the CAISO will provide an updated Cluster Study Report within thirty (30) days of such determination.
- (4) If one or more Interconnection Customers withdraws from the Cluster or is deemed withdrawn pursuant to Section 3.8 of this RIS, the CAISO will notify Interconnection Customers in the Cluster and post on the CAISO Website that a Cluster Restudy is required within thirty (30) days after the Cluster Study Report Meeting. The CAISO will continue with such restudies until the CAISO determines that no further restudies are required. If a Cluster Restudy is required due to a higher queued project withdrawing from the queue, or a modification of a higher or equally queued project, the CAISO will so notify affected Interconnection Customers in writing.
- (5) The scope of any Cluster Restudy will be consistent with the scope of an initial Cluster Study pursuant to Section 6.2 of this RIS. The results of the Cluster Restudy will be combined into a single report (Cluster Restudy Report). The CAISO will hold a meeting with the Interconnection Customers in the Cluster (Cluster Restudy Report Meeting) within ten (10) Business Days of simultaneously furnishing the Cluster Restudy Report to each Interconnection Customer in the Cluster Restudy and publishing the Cluster Restudy Report on the CAISO Website.

If additional restudies are required, Interconnection Customer and the CAISO will follow the procedures of this Section 7.4 of this RIS until such time that the CAISO determines that no further restudies are required. The CAISO will notify each Interconnection Customer within the Cluster when no further restudies are required.

7.4.2 Where, as a consequence of the reassessment, the CAISO determines that changes to the previously identified Network Upgrades in Queue Clusters earlier than the current Interconnection Study Cycle will cause changes to plans of service set out in executed GIAs, such changes will serve as a basis for amendments to GIAs.

7.4.3 Such changes to plans of service in Queue Clusters earlier than the current Interconnection Study Cycle will also serve as the basis for potential adjustments to the Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable, for Network Upgrades for Interconnection Customers in such earlier Queue Clusters, as follows:

- (i) An Interconnection Customer shall be eligible for an adjustment to its Maximum Cost Responsibility for Network Upgrades if a reassessment undertaken pursuant to this Section 7.4 reduces its estimated cost responsibility for Network Upgrades by at least twenty (20) percent and \$1 million, as compared to its current Maximum Cost Responsibility for Network Upgrades based on its Interconnection Studies or a previous reassessment.

The Maximum Cost Responsibility for an Interconnection Customer who meets this eligibility criterion will be the lesser of (a) its current Maximum Cost Responsibility and (b) 100 percent of the costs of all remaining Assigned Network

Upgrades included in the Interconnection Customer's plan of service.

- (ii) If an Interconnection Customer's Maximum Cost Responsibility for Network Upgrades is adjusted downward pursuant to (i) above, and a subsequent reassessment identifies a change on the CAISO's system that occurs after the completion of the Interconnection Customer's Interconnection Studies and requires additional or expanded Network Upgrades, resulting in an increase in the Interconnection Customer's estimated cost responsibility for Network Upgrades above the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, then the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades will be the estimated cost responsibility determined in the subsequent reassessment, so long as this amount does not exceed the Maximum Cost Exposure established by the Interconnection Customer's ~~Phase II~~ Interconnection Facilities Study. In such cases, where the Current Cost Responsibility determined in the subsequent reassessment exceeds the Maximum Cost Responsibility as adjusted based on the results of a prior reassessment, the Interconnection Customer's Maximum Cost Responsibility for Network Upgrades shall not exceed the Maximum Cost Exposure established by its Interconnection Facilities Study. For Interconnection Customers with complete Phase II Interconnection Studies or Interconnection Facilities Studies, the CAISO will publish advisory, non-binding updates to those studies in the reassessment, and binding updates in the following Interconnection Facilities Study.
- (iii) To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will adjust the Interconnection Customer's Maximum Cost Exposure, as applicable.
- (iv) To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer's Current Cost Responsibility and Maximum Cost Responsibility, as applicable.
- ~~(v) The posted Interconnection Financial Security required of the Interconnection Customer for Network Upgrades shall be adjusted to correspond to any increase in the Interconnection Customer's Current Cost Responsibility any time after but no later than sixty (60) calendar days after issuance of a reassessment report. The CAISO will notify an Interconnection Customer that receives a downward adjustment to its Current Cost Responsibility pursuant to this Section, and the Interconnection Customer may choose to adjust its posted Interconnection Financial Security within sixty (60) calendar days of the issuance of the reassessment report.~~

7.5 ~~[Not Used]~~ Option (B) Customers

The annual reassessment will identify ADNUs for Interconnection Customers who have selected Option (B). The Base Case for the reassessment will include Option (A) Generating Facilities in the current Interconnection Study Cycle and earlier queued Generating Facilities that will utilize TP Deliverability in a total amount that fully utilizes but does not exceed the available TP Deliverability.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area is less than or equal to the total TP Deliverability in any electrical area, the Base Case will include all Option (A) and earlier queued Generating Facilities in the electrical area.

If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area exceeds the TP Deliverability in any electrical area, the Base Case will include a representative subset of Generating Facilities that fully utilizes but does not exceed the TP Deliverability.

After the CAISO has modeled the Option (A) Generating Facilities, as described above, the CAISO will add Option (B) Generating Facilities to the Base Case. ADNUs that are identified as needed for each electrical area shall be assigned to Option (B) Generating Facilities based upon their flow impacts.

The cost responsibility for Area Delivery Network Upgrades identified in the reassessment will be assigned to Interconnection Customers who have selected Option (B) Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.

7.6 Application of Withdrawal Penalties and Non-Refundable Amounts

In conjunction with each reassessment, the CAISO will calculate and disburse withdrawal penalties and non-refundable interconnection study deposits and interconnection financial security amounts in accordance with the provisions of from Interconnection Requests subject to Appendix Y to the CAISO Tariff and this GIDAP-RIS as follows:

(a) Withdrawal Period

The CAISO shall calculate non-refundable interconnection study deposit and interconnection financial security amounts Withdrawal Penalties based on the period during which the interconnection customer withdrew its interconnection request or terminated its generator interconnection agreement, pursuant to Section 3.8.1. The first such withdrawal period shall be from January 1, 2013 through the last day that the CAISO is able to incorporate withdrawals into the 2015 annual reassessment. Subsequently, each withdrawal period shall be the approximate twelve-month period between the last day that the CAISO is able to incorporate withdrawals into an annual reassessment and the last day that the CAISO is able to incorporate withdrawals into the subsequent year's reassessment.

For each withdrawal period, the CAISO shall calculate and disburse available non-refundable interconnection study deposits and interconnection financial security Withdrawal Penalties in conjunction with the annual reassessment performed during the year that the withdrawal period ends.

(b) Disbursement of Withdrawal Penalties Assessed Prior to Cluster Study Results

For any Withdrawal Penalties assessed pursuant to 3.8.1.1(a) and for an Interconnection Customer that withdraws or is deemed withdrawn during the Cluster Study but before the receipt of a Cluster Study Report, the CAISO will use such funds to offset the costs of the Cluster Restudy on an equal basis for all Interconnection Customers studied in the restudy.

(c) Calculation and Disbursement of Non-Refundable Interconnection Financial Security Withdrawal Penalties for Still-Needed Network Upgrades At or Above \$100,000 Threshold

For each interconnection customer that withdrew its interconnection request or terminated its generator interconnection agreement after the Cluster Study results, the

CAISO shall calculate the proportion of the ~~non-refundable Interconnection Financial Security Withdrawal Penalty~~ that is attributable to Network Upgrades that the CAISO determines will still be needed by remaining Interconnection Customers. For each such still-needed Network Upgrade, the CAISO will divide the Interconnection Customer's Current Cost Responsibility for the Network Upgrade by the Interconnection Customer's total Current Cost Responsibility for all Network Upgrades and multiply this result by the Interconnection Customer's total amount of ~~non-refundable Interconnection Financial Security Withdrawal Penalty~~.

If the amount of ~~non-refundable security Withdrawal Penalty~~ attributable to a still-needed Network Upgrade, for all Interconnection Customers that withdrew during the same withdrawal period, is equal to or greater than \$100,000, then the portion of such amount held or received by the CAISO prior to the stage of the applicable annual reassessment in which the CAISO reallocates cost responsibility for remaining Network Upgrades shall: (a) be disbursed to the applicable Participating TO(s) as a contribution in aid of construction of the still-needed Network Upgrade, and (b) be reflected as a reduction in the cost of this Network Upgrade for purposes of reallocating the cost responsibility for this Network Upgrade. Any portions of such amounts that the CAISO receives after reallocating cost responsibility for remaining Network Upgrades during the applicable annual reassessment shall be disbursed by the CAISO in the same manner in a subsequent reassessment, based on the date of collection, unless the applicable Network Upgrade is no longer needed, in which case such amounts will be disbursed pursuant to Section 7.6(ed).

If a Network Upgrade for which the CAISO disburses funds as a contribution in aid of construction under this Section 7.6(b) is determined, in a subsequent reassessment, to be no longer needed, such funds will be promptly returned to the CAISO by the applicable Participating TO and re-disbursed by the CAISO pursuant to Section 7.6(ed).

(ed) Calculation and Disbursement of Other Non-Refundable Security and Study Deposits

For each Interconnection Customer that withdrew its Interconnection Request or terminated its Generator Interconnection Agreement during a withdrawal period, any ~~non-refundable Interconnection Study Deposits Withdrawal Penalty~~, as well as any non-refundable ~~Interconnection Financial Security deposit~~ not disbursed pursuant to subsection (b) above, shall be applied to offset Regional Transmission Revenue Requirements, as recovered through the CAISO's Transmission Access Charge, and to offset Local Transmission Revenue Requirements. ~~Any non-refundable Interconnection Financial Security and Interconnection Study Deposits relating to withdrawals or terminations that occurred prior to January 1, 2013 that are collected by the CAISO during a withdrawal period, as defined in Section 7.6(a), will also be disbursed in accordance with this provision.~~

This offset shall be performed by first allocating these ~~non-refundable Interconnection Study Deposit and Interconnection Financial Security Withdrawal Penalties and non-refundable deposit~~ amounts to the following three categories in proportion to the Interconnection Customer's most recent Current Cost Responsibility, prior to withdrawal or termination, for Network Upgrades whose costs would be recovered through each of the following categories: (1) a Regional Transmission Revenue Requirement, (2) the Local Transmission Revenue Requirement of the Participating TO to which the interconnection customer had proposed to interconnect, and (3) the Local Transmission Revenue Requirement of any other Participating TO on whose system the interconnection customer was responsible for funding Network Upgrades recovered through a Local Transmission Revenue Requirement.

Each year, prior to the cutoff date for including annual regional TRBA adjustments in

Regional Transmission Revenue Requirements, the CAISO will disburse to each Participating TO's Transmission Revenue Balancing Account: (a) a share of the total funds held or received by the CAISO from category (1) above in proportion to the ratio of each Participating TO's most recent Regional Transmission Revenue Requirement to the total of all Participating TOs' most recent Regional Transmission Revenue Requirements, and (b) all funds held or received by the CAISO in categories (2) and (3) applicable to that Participating TO.

(de) Disbursement of Funds by CAISO; Participating TO Responsibility for Collection

The CAISO shall disburse, in accordance with the rules set forth in this Section 7.6, only those ~~non-refundable Interconnection Financial Security and Study Deposit~~ amounts that it holds or has received. The applicable Participating TO shall have the exclusive obligation to administer the collection of any ~~non-refundable financial security~~ Withdrawal Penalty where the applicable Participating TO is a beneficiary. The applicable Participating TO has the responsibility to manage the financial security and to transmit to the CAISO the non-refundable amounts in cash or equivalent within 75 days of the CAISO's submission to the Participating TO of the financial security liquidation form. This deadline can be modified by mutual agreement of the CAISO and applicable Participating TO.

~~(e) The CAISO shall, upon receipt, deposit all non-refundable Interconnection Financial Security and Interconnection Study Deposit amounts in an interest-bearing account at a bank or financial institution designated by the CAISO. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6.~~

~~(f) Disbursement of Non-Refundable Site Exclusivity Deposits~~

~~The CAISO will first apply non-refundable portions of Site Exclusivity Deposits, including interest earned thereon, to offset the costs of the annual reassessment performed under Section 7.4 of this GIDAP. Any remaining non-refundable portions of Site Exclusivity Deposits that exceed the costs of the annual reassessment will be disbursed pursuant to Section 7.6(c).~~

Section 8 ~~Phase II~~ Interconnection Facilities Study and TP Deliverability Allocation Processes

The provisions of this Section 8 shall apply to all Interconnection Requests under this GIDAP ~~except those processed under the Independent Study Process selecting Energy Only Deliverability Status, the Fast Track Process, or the 10 kW inverter process.~~

8.1 Interconnection Facilities Study

8.1.1 ~~Scope of Phase II~~ Interconnection Facilities Interconnection Study Agreement

Within five (5) Business Days following the CAISO's notifying each Interconnection Customer within the Cluster that no further Cluster Restudy is required (per Section 7.4), the CAISO will provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix B to this RIS. The Interconnection Customer will compensate the CAISO and Participating TO for the actual cost of the Interconnection Facilities Study. Within five (5) Business Days following the Cluster Report Meeting or Cluster Restudy Report Meeting if applicable, the CAISO will provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study.

The Interconnection Customer will execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the CAISO within thirty (30)

days after its receipt, together with:

(1) any required technical data;

(2) Demonstration of one hundred percent (100%) Site Control or demonstration of a regulatory limitation and applicable deposit in lieu of Site Control provided to the CAISO in accordance with Section 3.5.1.3 of this RIS; and

(3) An additional deposit that brings the total Commercial Readiness Deposit submitted to the PTO to ten percent (10%) of the Interconnection Customer's Network Upgrade cost assignment identified in the Cluster Study or Cluster Restudy, if applicable, in the form of an irrevocable letter of credit or cash. The CAISO will refund the deposit to Interconnection Customer upon withdrawal in accordance with Section 3.8 of this RIS.

The Interconnection Customer will promptly inform the CAISO of any material change to Interconnection Customer's demonstration of Site Control under Section 3.5.1(iii) of this RIS. Upon the CAISO determining separately that Interconnection Customer no longer satisfies the Site Control requirement, the CAISO will notify Interconnection Customer. Within ten (10) Business Days of such notification, Interconnection Customer must demonstrate compliance with the applicable requirement subject to the CAISO's approval, not to be unreasonably withheld. Absent such demonstration, the CAISO will deem the subject Interconnection Request withdrawn pursuant to Section 3.8 of this RIS.

8.1.24 Purpose Scope of the ~~Phase II~~ Interconnection Facilities Study

The Interconnection Facilities Study will be performed on a clustered basis. The Interconnection Facilities Study will specify and provide Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure to each Interconnection Customer to implement the conclusions of the Cluster Study Report (and any associated reassessment) in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facilities to the Transmission System. The Interconnection Facilities Study will 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 the Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Interconnection Facilities Study will also identify any potential control equipment for (1) requests for Interconnection Service that are lower than the Generating Facility Capacity, and/or (2) requests to study a Generating Facility that includes at least one electric storage resource using operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) that reflect its proposed charging behavior, as requested by Interconnection Customer, unless the CAISO determines that Good Utility Practice, including Applicable Reliability Standards, otherwise requires the use of different operating assumptions.

The CAISO, in coordination with the applicable Participating TO(s), 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 Studies to account for the withdrawal of Interconnection Requests from the current Queue Cluster;
- (ii) identify final GRNUs and IRNUs needed in order to achieve Commercial Operation status for the Generating Facilities and provide final cost estimates;

- ~~(iii) identify final LDNUs needed to interconnect those Generating Facilities selecting Full Capacity or Partial Capacity Deliverability Status and provide final cost estimates;~~
- ~~(iv) identify final ADNUs for Interconnection Customers selecting Option (B), as provided below and provide revised cost estimates;~~
- ~~(v) identify, for each Interconnection Request, the Participating TO's Interconnection Facilities for the final Point of Interconnection and provide a +/-20% cost estimate;~~
- ~~(vi) coordinate in-service timing requirements based on operational studies in order to facilitate achievement of the Commercial Operation Dates of the Generating Facilities;~~
- ~~(vii) update the Interconnection Customer's Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure, as applicable;~~
- ~~(viii) provide updated Precursor Network Upgrades needed to achieve the Commercial Operation status and Deliverability Status for the Generating Facilities;~~
- ~~(ix) identify any potential control equipment for each Interconnection Request where the Interconnection Customer requested Interconnection Service Capacity lower than the Generating Facility Capacity; and~~
- ~~(x) identify LOPNUs needed for Generating Facilities selecting Off-Peak Deliverability Status, and provide final cost estimates.~~

~~The Phase II Interconnection Study report shall set forth the applicable cost estimates for Network Upgrades and Participating TOs Interconnection Facilities that shall be the basis for Interconnection Financial Security Postings under Section 11.3. Where the Maximum Cost Responsibility is based upon the Phase I Interconnection Study (because it is lower under Section 10.1), the Phase II Interconnection Study report shall recite this fact.~~

~~To the extent the CAISO determines that previously identified Conditionally Assigned Network Upgrades become Precursor Network Upgrades pursuant to Section 14.2.2, or are otherwise removed, the CAISO will reduce the Interconnection Customer's Maximum Cost Exposure, as applicable. To the extent the CAISO determines that a Conditionally Assigned Network Upgrade becomes an Assigned Network Upgrade, the CAISO will adjust the Interconnection Customer's Current Cost Responsibility and Maximum Cost Responsibility.~~

~~8.1.32 Interim Energy-Only Interconnection until DNUs Completed [Not used.]~~

~~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 pursuant to Section 8.1.4.~~

~~8.1.43 Cost Estimation Detail [Not used.]~~

~~With respect to the items detailed in 8.1.1, the Phase II Interconnection Study shall~~

~~specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid 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 Interconnection Customer's Interconnection Facilities to the CAISO Controlled Grid. 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 Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.~~

8.1.54 Operational Deliverability Assessment [Not used.]

~~The CAISO will perform an operational partial and interim Deliverability Assessment (operational Deliverability Assessment) as part of the Phase II Interconnection Study. The operational Deliverability Assessment will be performed for each applicable Queue Cluster Group Study group for each applicable study year through the prior year before all of the required Delivery Network Upgrades are in service. The CAISO will consider operational Deliverability Assessment results stated for the first year in the pertinent annual Net Qualifying Capacity process that the CAISO performs for the next Resource Adequacy Compliance Year. The study results for any other years studied in operational Deliverability Assessment will be advisory and provided to the Interconnection Customer for its use only and for informational purposes only.~~

~~The CAISO will publish the methodology under which the CAISO will perform the operational Deliverability assessment on the ISO Website or within a Business Practice Manual.~~

8.2 Determining Phase II Network Upgrades [Not used.]

8.2.1 Reliability Network Upgrades, Local Delivery Network Upgrades, and Local Off-Peak Network Upgrades

~~RNUs, LOPNUs, and LDNUs will be identified on the basis of all Interconnection Customers in the current Queue Cluster regardless of whether they have selected Option (A) or (B).~~

8.2.2 Area Delivery Network Upgrades

~~The Phase II Interconnection Study will identify ADNUs for Interconnection Customers who have selected Option (B). The Deliverability Assessment Base Case for the Phase II Interconnection Study will include Option (A) Generating Facilities in the current Interconnection Study Cycle and earlier queued Generating Facilities that will utilize TP Deliverability in a total amount that fully utilizes but does not exceed the available TP Deliverability.~~

~~If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area is less than or equal to the total TP Deliverability in any electrical area, the Deliverability Assessment Base Case will include all Option (A) and earlier queued Generating Facilities in the electrical area.~~

~~If the MW capacity of the Option (A) Generating Facilities and earlier queued Generating Facilities utilizing TP Deliverability in an area exceeds the TP Deliverability in any~~

~~electrical area, the Deliverability Assessment Base Case will include a representative subset of Generating Facilities that fully utilizes but does not exceed the TP Deliverability.~~

~~After the CAISO has modeled the Option (A) Generating Facilities, as described above, the CAISO will add Option (B) Generating Facilities to the Deliverability Assessment Base Case. ADNUs that are identified as needed for each electrical area shall be assigned to Option (B) Generating Facilities based upon their flow impacts.~~

8.3 Cost Responsibility for Reliability Network Upgrades[Not Used.]

~~Cost responsibility for final Reliability Network Upgrades identified in the Phase II Interconnection Study of an Interconnection Request shall be assigned to Interconnection Customers regardless of whether the Interconnection Customer has selected Option (A) or (B) or Energy Only Deliverability Status, as follows:~~

- ~~(i) The cost responsibility for final short circuit related General Reliability Network Upgrades shall be assigned to all Interconnection Requests in the Group Study proportional to the short circuit duty contribution of each Generating Facility.~~
- ~~(ii) The cost responsibility for all other final General Reliability Network Upgrades shall be assigned to all Interconnection Requests in that Group Study proportional to the basis of the maximum megawatt electrical output of each proposed new 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.~~
- ~~(iii) The Interconnection Customer's Current Cost Responsibility will include its allocated cost share for Interconnection Reliability Network Upgrades that are Assigned Network Upgrades. The CAISO will allocate assigned Interconnection Reliability Network Upgrade costs proportional to the number of Interconnection Requests that have been assigned the Interconnection Reliability Network Upgrade in the current Queue Cluster.~~
- ~~(iv) The Interconnection Customer's Maximum Cost Responsibility will include the full cost of Assigned Network Upgrades that are Interconnection Reliability Network Upgrades unless another Interconnection Customer in the same Queue makes its third Interconnection Financial Security posting for the same assigned Interconnection Reliability Network Upgrade, in which case the CAISO will reduce the Interconnection Customer's Maximum Cost Responsibility to its allocated share pursuant to subsection (iii).~~
- ~~(v) The Maximum Cost Exposure will include the full cost of Interconnection Reliability Network Upgrades that are Assigned Network Upgrades and Conditionally Assigned Network Upgrades. The CAISO may reduce the Maximum Cost Exposure consistent with subsection (iv).~~

8.4 Cost Responsibility for Delivery Network Upgrades[Not Used.]

~~The cost responsibility for Local Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of the Phase II Interconnection Study shall be assigned to all Interconnection Requests selecting Full Capacity or Partial Capacity Deliverability Status, regardless of whether the Interconnection Customer has selected Option (A) or (B), based on the flow impact of each such Generating Facility on each Local Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.~~

~~The cost responsibility for Area Delivery Network Upgrades identified in the On-Peak Deliverability Assessment as part of Phase II Interconnection Study shall be assigned to~~

~~Interconnection Customers who have selected Option (B) Full Capacity or Partial Capacity Deliverability Status based on the flow impact of each such Generating Facility on each Area Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak Deliverability Assessment methodology.~~

~~The Current Cost Responsibility provided in the Phase II Interconnection Study shall establish the basis for the second Interconnection Financial Security Posting for Interconnection Customers selecting Option (B).~~

~~8.4.1 Cost Responsibility for Local Off-Peak Network Upgrades~~

~~The estimated costs of Local Off-Peak Network Upgrades identified in the Off-Peak Deliverability Assessment will be assigned or conditionally assigned to Interconnection Requests selecting Off-Peak Deliverability Status based on the flow impact of each such Generating Facility on the Off-Peak Network Upgrades as determined by the Generation distribution factor methodology set forth in the Off-Peak Deliverability Assessment methodology.~~

8.5 ~~Phase II Interconnection~~ Interconnection Facilities Study Procedures

The CAISO will coordinate the Interconnection Facilities Study with the Participating TO and any Affected System pursuant to Section 3.7 of this RIS. The CAISO and Participating TO will utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The CAISO and Participating TO will complete the study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed Interconnection Facilities Study Agreement.

At the request of the Interconnection Customer or at any time the CAISO determines that it will not meet the required time frame for completing the Interconnection Facilities Study, the CAISO will notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If the CAISO is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report within the time required, it will notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) days after receipt of the draft Interconnection Facilities Study Report, provide written comments to the CAISO, which the CAISO will include in completing the final Interconnection Facilities Study Report. The CAISO will issue the final Interconnection Facilities Study Report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. The CAISO may reasonably extend such fifteen (15) Business Day period upon notice to Interconnection Customer if Interconnection Customer's comments require the CAISO and Participating TO to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Study Report. Upon request, the CAISO and Participating TO will provide the Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

~~The CAISO shall coordinate the Phase II Interconnection Study with applicable Participating TO(s) and any Affected System that is affected by the Interconnection Request pursuant to Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase II Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to commence the Phase II Interconnection Study by May 1 of each year, and to complete and issue to Interconnection Customers the Phase II Interconnection Study report~~

~~within two hundred and five (205) calendar days after the annual commencement of the Phase II Interconnection Study. The CAISO will share applicable study results with the applicable Participating TO(s), for review and comment, and will incorporate comments into the study report. The CAISO will issue a final Phase II Interconnection Study report to the Interconnection Customer.~~

~~At the request of the Interconnection Customer or at any time the CAISO determines that it will not meet the required time frame for completing the Phase II Interconnection Study, the CAISO shall notify the Interconnection Customer as to the schedule status of the Phase II Interconnection Study and provide an estimated completion date with an explanation of the reasons why additional time is required.~~

~~Upon request, the CAISO 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 II Interconnection Study, subject to confidentiality arrangements consistent with Section 15.1.~~

8.6 ~~Accelerated Phase II Interconnection Study Process~~ Interconnection Facilities Restudy

~~If restudy of the Interconnection Facilities Study is required due to a higher or equally queued project withdrawing from the queue or a modification of a higher or equally queued project pursuant to Section 6.7.2 of this RIS, the CAISO will update the Interconnection Facilities Study results via the annual reassessment described in Section 7.4. Any cost of restudy will be borne by the Interconnection Customer being restudied.~~

~~The Phase II Interconnection Study shall be completed within one hundred fifty (150) calendar days following the later of (1) the posting of the initial Interconnection Financial Security or (2) the completion of the re-assessment in preparation for the Phase II Interconnection Study under Section 7.4, where the Interconnection Request meets the following criteria: (i) the Interconnection Request was not grouped with any other Interconnection Requests during the Phase I Interconnection Study or was identified as interconnecting to a point of available transmission during the Phase I Interconnection Study, and (ii) the Interconnection Customer is able to demonstrate that the general Phase II Interconnection Study timeline under GIDAP Section 8.5 is not sufficient to accommodate the Commercial Operation Date of the Generating Facility.~~

~~In addition to the above criteria, the CAISO may apply to FERC in coordination with the Interconnection Customer for a waiver of the timelines in this GIDAP to meet the schedule required by an order, ruling, or regulation of the Governor of the State of California, the CPUC, or the CEC.~~

8.7 Results Meeting With the CAISO and Applicable PTO(s)

Within thirty (30) calendar days of providing the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the 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 ISO 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 CAISO 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 CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase II Interconnection Study Report with a revised study report or an addendum to the report. The CAISO will issue any such revised report or addendum no later than fifteen (15) Business Days following the Results Meeting.~~

8.8 [Intentionally Omitted]

8.9 Allocation Process for TP Deliverability

After the ~~Phase II~~ Interconnection Facilities Study reports are issued, the CAISO will perform the allocation of the TP Deliverability to Option (A) and Option (B) Generating Facilities that meet the eligibility criteria set forth in Section 8.9.2. The TP Deliverability available for allocation will be determined from the most recent Transmission Plan. Once a Generating Facility is allocated TP Deliverability, the facility will be required to comply with retention criteria specific in Section 8.9.3 in order to retain the allocation.

Allocation of TP Deliverability shall not provide any Interconnection Customer or Generating Facility with any right to a specific MW of capacity on the CAISO Controlled Grid or any other rights (such as title, ownership, rights to lease, transfer or encumber).

The CAISO will issue a market notice to inform interested parties as to the timeline for commencement of allocation activities, for Interconnection Customer submittal of eligibility status and retention information, and anticipated release of allocation results to Interconnection Customers. There are two components to the allocation process.

8.9.1 First Component: Representing TP Deliverability Used by Prior Commitments

The CAISO will identify the following commitments that will utilize MW quantities of TP Deliverability:

- (a) The proposed Generating Facilities corresponding to earlier queued Interconnection Requests meeting the criteria set forth below:
 - (i) proposed Generating Facilities in Queue Cluster 4 or earlier that have executed PPAs with Load-Serving Entities and have GIAs that are in good standing.
 - (ii) proposed Generating Facilities in Queue Cluster 5 and subsequent Queue Clusters that were previously allocated TP Deliverability and have met the criteria to retain the allocation set forth in Section 8.9.3.
- (b) any Maximum Import Capability included as a planning objective in the Transmission Plan and a Subscriber Participating TO that is a non-contiguous portion of the CAISO BAA can use Maximum Import Capability made available by Participating Generators and System Resources if such allocation is made available in accordance with Section 40.4.6.2.1 (Step 13) of the CAISO Tariff; the available Maximum Import Capability made available by the Load Serving Entities that have access to Subscriber Rights until the Load Serving Entity(ies) cease using this Maximum Import Capability allocation or Delivery Network Upgrade(s) pursuant to Section 4.3A4.2(b) of the CAISO Tariff is completed to support the Subscriber Rights and then the TP Deliverability will be awarded to such Subscriber consistent with Section 8.9.1(c) of this GIDAP;

- (c) any other commitments having a basis in the Transmission Plan, including any commitments established due to a Subscriber's exercise of its first option to acquire Deliverability made possible by Delivery Network Upgrades pursuant to Section 4.3A.4.2(a) of the CAISO Tariff, provided this first option has been exercised before the Subscriber is no longer eligible to apply for TP Deliverability allocation under Section 8.9 of this GIDAP. Generating Units possessing Subscriber Rights seeking to receive TP Deliverability must submit a request and will be subject to Sections 8.9.2 and 8.9.3 of this GIDAP. For each Subscriber that submits a TP Deliverability request, the CAISO will provide the Subscriber with a Queue Position.

This first component is performed for the purpose of determining the amount of TP Deliverability available for allocation to the current queue cluster in accordance with section 8.9.2, and shall not affect the rights and obligations of proposed Generating Facilities in Queue Cluster 4 or earlier with respect to the construction and funding of Network Upgrades identified for such Generating Facilities, or their requested Deliverability Status. Such rights and obligations will continue to be determined pursuant to the GIP and the Generating Facility's GIA.

8.9.2 Second Component: Allocating TP Deliverability

Following the process set forth in Section 8.9.1, the CAISO will allocate any remaining TP Deliverability in the following order.

The CAISO shall allocate available TP Deliverability to all or a portion of the full MW capacity of the Generating Facility as specified in the Interconnection Request. Where a criterion is met by a portion of the full MW generating capacity of the Generating Facility, the eligibility score associated with that criterion shall apply to the portion that meets the criterion. The demonstration must relate to the same proposed Generating Facility as described in the Interconnection Request.

- (A) To Interconnection Customers that have executed power purchase agreements, and to Interconnection Customers in the current Queue Cluster that are Load Serving Entities serving their own Load.
- (B) To Interconnection Customers that are actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement.
- (C) To Interconnection Customers that have achieved Commercial Operation for the capacity seeking TP Deliverability.
- (D) To Interconnection Customers electing to be subject to Section 8.9.2.3.

Energy Only capacity seeking TP Deliverability may not trigger the construction of Delivery Network Upgrades pursuant to Section 6.3.2. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation. The CAISO will allocate TP Deliverability to Energy Only Interconnection Customers requesting Deliverability after FCDS and PCDS Interconnection Customers within its allocation group and solely based on TP Deliverability available from existing transmission facilities, from already planned upgrades in the CAISO Transmission Planning Process, or upgrades assigned to an interconnection project that has an executed GIA and currently has a TP Deliverability allocation.

Interconnection Customers requesting Deliverability for Energy Only capacity must

submit to the CAISO a \$60,000 study deposit for each Interconnection Request seeking TP Deliverability. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The funds will be applied to pay for prudent costs incurred by the CAISO, the Participating TO(s), and/or third parties at the direction of the CAISO or applicable Participating TO(s), as applicable, to perform and administer the TP Deliverability studies for the Energy Only Interconnection Customers. Any and all costs of the Energy Only TP Deliverability study will be borne by the Interconnection Customer. The CAISO will coordinate the study with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days thereafter, the CAISO will issue an invoice or refund to the Interconnection Customer, as applicable, based upon such submitted Participating TO invoices and the CAISO's own costs for the study. If the actual costs of the study are greater than the deposit provided by the Interconnection Customer, the Interconnection Customer will pay the balance within thirty (30) days of being invoiced.

~~Beginning with new awards in the 2023-2024 TP Deliverability allocation cycle, for an Interconnection Customer seeking to receive or retain TP Deliverability to represent that it has, is negotiating, or is shortlisted for a power purchase agreement under this GIDAPRIS, the agreement must meet the following criteria:~~

- (1) the agreement has a term of no less than five (5) years. Interconnection Customers with multiple, short-term agreements for the same capacity may meet this criterion where the combined terms are five (5) years or more; and
- (2) the counterparty must:
 - (a) be a Load Serving Entity procuring the capacity to meet its own Resource Adequacy obligation; or
 - (b) demonstrate it has a contract to provide the capacity for at least one (1) year to a Load Serving Entity for a Resource Adequacy obligation.

Interconnection Customers may seek or retain a TP Deliverability allocation if they meet all tariff criteria except the counterparty criterion (2); however, within thirty (30) days of receiving a TP Deliverability allocation, they must demonstrate they meet the counterparty criterion or provide a deposit of \$10,000 per MW of allocated TP Deliverability, but in no case less than \$500,000. The CAISO will deposit these funds in an interest-bearing account at a bank or financial institution designated by the CAISO. The CAISO will refund the deposit when the Generating Facility begins Commercial Operation or meets the counterparty criterion, whichever is earlier. To the extent the Interconnection Customer withdraws, is deemed withdrawn, converts to Energy Only, or otherwise downsizes or eliminates the capacity allocated TP Deliverability, the deposit or commensurate portion thereof will be non-refundable, and the CAISO will process it and any accrued interest pursuant to Section 7.6.

~~Interconnection Customers that received and retained TP Deliverability allocations before the 2023-2024 cycle are not subject to the minimum term or counterparty requirements for those allocations, including under Section 6.7.4 and this Section 8.9. If they re-seek TP Deliverability for any reason during or after the 2023-2024 cycle, they would be subject to these requirements in seeking a new allocation or retaining a new allocation.~~

For all TP Deliverability allocations based upon having, negotiating, or being shortlisted

for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability. Load Serving Entities acting as Interconnection Customers are otherwise eligible for all other attestations.

Notwithstanding any other provision, all refunds pursuant to this Appendix ~~DD-KK~~ will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

8.9.2.1 Deliverability Affidavits

To determine TP Deliverability allocation order, Interconnection Customers will be assigned a numerical score reflecting the its demonstration of having met the criteria below under the methodology set forth in the Business Practice Manual.

- (1) Permitting status. An Interconnection Customer's Generating Facility must meet at least one of the following:
 - a. The Interconnection Customer has received its final governmental permit or authorization allowing the Generating Facility to commence construction.
 - b. The Interconnection Customer has received a draft environmental report document (or equivalent environmental permitting document) indicating likely approval of the requested permit and/or which indicates that the permitting authority has not found an environmental impact which would likely prevent the permit approval.
 - c. The Interconnection Customer has applied for the necessary governmental permits or authorizations and the authority has deemed such documentation as data adequate for the authority to initiate its review process.
 - d. The Interconnection Customer has applied for the necessary governmental permit or authorization for the construction.
- (2) Project financing status. An Interconnection Customer's Generating Facility must meet at least one of the following criteria:
 - a. The Interconnection Customer has an executed and regulator-approved power purchase agreement.
 - b. The Interconnection Customer has an executed power purchase agreement but such agreement has not yet received regulatory approval.
 - c. The Interconnection Customer is on an active short list or other commercially recognized method of preferential ranking of power providers by a prospective purchaser Load Serving Entity or procuring entity, or is currently negotiating a power purchase agreement.

d. The Interconnection Customer is a Load Serving Entity constructing its project to serve its own Load pursuant to a regulatory requirement.

~~e. The Interconnection Customer is proceeding to commercial operation without a power purchase agreement pursuant to Section 8.9.2.2, attested to balance-sheet financing before November 27, 2018, or attests to being balance-sheet financed or otherwise received a commitment of project financing pursuant to Section 8.9.3.1~~

(3) Land acquisition

a. The Interconnection Customer demonstrates a present legal right to begin construction of the Generation Facility on one hundred percent (100%) of the real property footprint necessary for the entire Generating facility.

b. The Interconnection Customer demonstrates Site Exclusivity.

In allocating TP Deliverability under this section, in a situation where the TP Deliverability cannot accommodate all of the Interconnection Customers in a qualifying group, the CAISO will allocate TP Deliverability based on the highest numerical score. In a situation where the available amount of TP Deliverability can accommodate all Interconnection Customers with equal scores, the CAISO will allocate the TP Deliverability to the Interconnection Customers with the lowest LDNU cost estimates. For all TP Deliverability allocations based upon having, negotiating, or being shortlisted for power purchase agreements, the CAISO will allocate TP Deliverability up to the amount of deliverable MW capacity procured by the power purchase agreement.

All power purchase agreements must require Deliverability above zero for the Interconnection Customer to represent that it has, is negotiating, or is shortlisted for a power purchase agreement. All Load Serving Entities building Generating Facilities to serve their own Load must be doing so to fulfill a regulatory requirement that warrants Deliverability.

8.9.2.2 ~~[Not used.] Proceeding without a Power Purchase Agreement prior to September 1, 2022~~

~~Interconnection Customers that received TP Deliverability in this group and parked portions of their Interconnection Request that did not receive TP Deliverability may receive TP Deliverability in subsequent allocation cycles from any group for which they qualify. Interconnection Customers that received TP Deliverability allocations for less than requested may elect to reduce their capacity to the amount of TP Deliverability received following the allocation.~~

~~If an Interconnection Customer received TP Deliverability on the basis that it is proceeding without a power purchase agreement, it may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or modify its Commercial Operation Date beyond the earlier of (a) the date established in its Interconnection Request when it requests TP Deliverability or (b) seven (7) years from the date the CAISO received its Interconnection Request. Extensions due to Participating TO construction delays will extend these deadlines equally. Where the Interconnection Customer has executed a power purchase agreement, it may request to align its construction timeline and Commercial Operation Date for the deliverable MW capacity procured by the power purchase agreement consistent with Section 6.7.5. This change in milestones cannot impact the timing of shared Interconnection Facilities or Network Upgrades. Interconnection Customers that fail to proceed toward their Commercial Operation Date under these requirements and as specified in their GIA will be converted to Energy Only. Interconnection Customers that become Energy Only for this or any reason may not reduce their~~

~~Maximum Cost Responsibility, Current Cost Responsibility, or Interconnection Financial Security for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.~~

~~This Section 8.9.2.2 does not apply to Interconnection Customers that attested to balance sheet financing or otherwise receiving a commitment of project financing before November 27, 2018, or that do so pursuant to Section 8.9.3.1.~~

8.9.2.3 TP Deliverability Group D

This section applies to any Interconnection Customer that seeks a TP Deliverability allocation under group D, regardless of whether the Interconnection Customer receives an allocation from group D or later converts to Energy Only. For the entire Generating Facility, including Energy Only portions, the Interconnection Customer may not request suspension under its GIA, delay providing its notice to proceed as specified in its GIA, or delay its Commercial Operation Date beyond the date established in its Interconnection Request when it requested TP Deliverability. Extensions due to Participating TO construction delays will extend these deadlines equally. Interconnection Customers that fail to proceed toward their Commercial Operation Dates under these requirements and as specified in their GIAs will be withdrawn.

If an Interconnection Customer demonstrates it has received a power purchase agreement, the portion of the Generating Facility procured by the power purchase agreement is not subject to this Section. Notwithstanding Section 8.9.4, if an Interconnection Customer receives a TP Deliverability allocation in the amount it requested, it must accept the allocation or withdraw.

~~Beginning with the 2023-2024 TP Deliverability allocation process,~~ Interconnection Customers may not seek TP Deliverability through this group D for any capacity that is Energy Only. This includes, without limitation, capacity expansions effected through modification requests and capacity converted to Energy Only after failing to receive or retain a TP Deliverability allocation.

For Interconnection Customers in Cluster 13 or earlier, this Section 8.9.2.3 does not apply to their Generating Facility except for any portion of the Generating Facility that seeks TP Deliverability from Group D.

8.9.3 Retaining TP Deliverability Allocation

Interconnecting Customers that received TP Deliverability must provide documentation demonstrating they meet the following requirements by the annual due date established via market notice pursuant to Section 8.9:

- (1) Interconnection Customers that received TP Deliverability on the basis of negotiating or being shortlisted for a power purchase agreement must execute the agreement.
- (2) Interconnection Customers that received TP Deliverability from group D, must demonstrate that they executed a power purchase agreement, are actively negotiating a power purchase agreement, or on an active short list to receive a power purchase agreement. Interconnection Customers that retain TP Deliverability by demonstrating they are actively negotiating or shortlisted for a power purchase agreement must demonstrate they executed the power purchase agreement in the following year.

Failure to meet the requirements of this Section by the annual due date established via market notice will result in conversion to Energy Only. To the extent TP Deliverability has been allocated, lost, or relinquished only for a portion of the Interconnection Customer's project, this section 8.9.3 will apply to that portion of the project only. An Interconnection Customer's failure to retain its TP Deliverability will not be considered a Breach of its GIA. Except as provided in Section 8.9.3.2, Interconnection Customers that become Energy Only for failure to retain their TP Deliverability allocation may not reduce their Maximum Cost Responsibility ~~or~~, Current Cost Responsibility, ~~or Interconnection Financial Security~~ for any assigned Delivery Network Upgrades unless the CAISO and Participating TO(s) determine that the Interconnection Customer's assigned Delivery Network Upgrade(s) is no longer needed for current Interconnection Customers.

8.9.3.1 [Not Used]

8.9.3.2 Loss of Power Purchase Agreement or Short List Status

Notwithstanding any provision of this ~~GIDAPRIS~~, if an Interconnection Customer receives or retains TP Deliverability for all or a portion of its project by attesting that:

- (a) it had a power purchase agreement, and the Load Serving Entity or procuring entity unilaterally terminates that power purchase agreement through no fault of the Interconnection Customer; or
- (b) it was actively negotiating a power purchase agreement or on an active short list to receive a power purchase agreement, and then did not finalize a power purchase agreement.

The Interconnection Customer may park its Interconnection Request, and re-seek TP Deliverability with its Queue Cluster. Alternatively, if such an Interconnection Customer's Queue Cluster is no longer eligible to park and has already completed the TP Deliverability allocation cycle after its parking opportunities, the Interconnection Customer will be converted to Energy Only but will not retain cost responsibility for its assigned Delivery Network Upgrades. Such an Interconnection Customer may elect to reduce its ~~Interconnection Financial Security Commercial Readiness Deposit~~ as a result.

8.9.4 Parking for Option (A) Generating Facilities

For an Option (A) Generating Facility in the current Interconnection Study Cycle that either was allocated less TP Deliverability than requested or does not desire to accept the amount allocated the Interconnection Customer shall select one of the following options:

- (1) Withdraw its Interconnection Request
- (2) Enter into a GIA, in which case the Interconnection Request shall automatically convert to Energy Only Deliverability Status. In such circumstances, upon execution of the GIA, any ~~Interconnection Financial Security Commercial Readiness Deposit~~ shall ~~will~~ be adjusted to remove the obligation ~~for Interconnection Financial Security~~ pertaining to LDNUs
- (3) Park the Interconnection Request; in which case the Interconnection Request may remain in the Interconnection queue until the next allocation of TP Deliverability in which it may participate in accordance with the requirements of Section 8.9.2. Parking an Interconnection Request does not confer a preference with respect to any other Interconnection Request with respect to allocation of TP Deliverability.

An Interconnection Customer that selects option (2) or (3) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility. ~~An Interconnection Customer that has elected to park its Interconnection Request (option (3)) will not be tendered a GIA until it concludes its parking by accepting a TP Deliverability allocation or converting to Energy Only Deliverability Status and has made its second Interconnection Financial Security posting pursuant to Section 11.3.~~ Parked Interconnection Customers may not submit modification requests except for the following modifications:

- (1) reducing the Interconnection Service Capacity;
- (2) changing fuel type or technology;
- (3) Permissible Technological Advancements; or
- (4) changing the Point of Interconnection.

Parked Interconnection Customers must post their ~~second Interconnection Financial Security Commercial Readiness Deposit~~ prior to submitting any of these modification requests, and submit a modification request pursuant to Section 6.7.2.3 of this GIDAPRIS.

8.9.4.1 Extended Parking for Option (A) Generating Facilities

An Option (A) Generating Facility that parked its Interconnection Request and participated in a second allocation of TP Deliverability may remain parked for one final (third) allocation of TP Deliverability where: (a) the most recent TP Deliverability allocation shows that TP Deliverability will still be available to the Generating Facility; and (b) the Generating Facility has not been assigned Network Upgrades identified as needed by other Interconnection Customers in the Generating Facility's cluster study group or later cluster study groups. Criterion (b) will not apply where the Generating Facility has been assigned Network Upgrades identified as needed only by other Interconnection Customers in the Generating Facility's own cluster study group and all of those active Interconnection Customers also elect to remain parked.

8.9.5 Partial Allocations of Transmission Based Deliverability to Option (A) and Option (B) Generating Facilities

If a Generating Facility is allocated TP Deliverability in the current Interconnection Study Cycle in an amount less than the amount of Deliverability requested, then the Interconnection Customer must choose one of the following options:

- (i) Accept the allocated amount of TP Deliverability and reduce the MW generating capacity of the proposed Generating Facility such that the allocated amount of TP Deliverability will provide Full Capacity Deliverability Status to the reduced generating capacity;
- (ii) Accept the allocated amount of TP Deliverability and adjust the Deliverability status of the proposed Generating Facility to achieve Partial Capacity Deliverability corresponding to the allocated TP Deliverability;
- (iii) For Option (A) Generating Facilities, accept the allocated amount of TP Deliverability and seek additional TP Deliverability for the remainder of the requested Deliverability of the Interconnection Request in the next allocation

cycle. In such instance, the Interconnection Customer shall execute a GIA for the entire Generating Facility having Partial Capacity Deliverability corresponding to the allocated amount of TP Deliverability. Following the next cycle of TP Deliverability allocation, the GIA shall be amended as needed to adjust its Deliverability status to reflect any additional allocation of TP Deliverability. At this time the Interconnection Customer may also adopt options (i) or (ii) above based on the final amount of TP Deliverability allocated to the Generating Facility. There will be no further opportunity for this Generating Facility to participate in any subsequent cycle of TP Deliverability allocation; or

- (iv) Decline the allocated amount of TP Deliverability and either withdraw the Interconnection Request or convert to Energy Only Deliverability Status. An Interconnection Customer having an Option (A) Generating Facility that has not previously parked may decline the allocation of TP Deliverability and park until the next cycle of TP Deliverability allocation in the next Interconnection Study Cycle.

An Interconnection Customer that selects option (iii) or (iv) above may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

Interconnection Customers accepting a partial allocation of TP Deliverability may pursue additional deliverability as described in Section 8.9.2.

8.9.6 Declining TP Deliverability Allocation

An Interconnection Customer having an Option (A) Generating Facility and allocated the entire amount of requested TP Deliverability may decline all or a portion of the TP Deliverability allocation and park the Generating Facility Request as described in Section 8.9.4(3). An Interconnection Customer that selects this option may, at the time it selects the option, elect to reduce the generating capacity of its Generating Facility.

8.9.7 ~~Intentionally Omitted~~ Interim Deliverability

If the Generating Facility (or increase in capacity of an existing Generating Facility) achieves its Commercial Operation Date before the Deliverability Assessment is completed or before any necessary Delivery Network Upgrades are in service, the CAISO will determine whether Interim Deliverability is available, and will award it to the Generating Facility. The CAISO will make this determination as soon as practical, but no later than the calendar month before the Generating Facility or capacity increase achieves its Commercial Operation Date. The Generating Facility will maintain any Interim Deliverability until (1) the Interconnection Customer to which that Deliverability was originally allocated achieves its Commercial Operation Date; or (2) the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete, enabling Partial Capacity or Full Capacity Deliverability Status. If the CAISO determines Interim Deliverability is not available, the Generating Facility or capacity increase will be Energy Only until the CAISO completes the next scheduled Deliverability Assessment and the Generating Facility's Delivery Network Upgrades are complete.

8.9.8 Updates to ~~Phase II~~ Interconnection Study Results

Upon completion of the allocation of TP Deliverability in accordance with Section 8.9.2, the CAISO will provide the allocation results to the Interconnection Customers for eligible Generating Facilities in the current Queue Cluster and eligible parked Generating Facilities. Each of these Interconnection Customers will then have seven (7) calendar days to inform the CAISO of its decisions in accordance with Sections 8.9.4, 8.9.5, and

8.9.6. Following the CAISO's receipt of this information from all affected Interconnection Customers, the CAISO will provide updates where needed to the ~~Phase II~~ Interconnection Study reports for all Generating Facilities whose Network Upgrades have been affected.

8.9.9 Deliverability Transfers

Deliverability may not be assigned or otherwise transferred except as expressly provided by the CAISO Tariff. An Interconnection Customer may reallocate its Generating Facility's Deliverability among its own Generating Units or Resource IDs at the Generating Facility and to other Interconnection Customers interconnected at the same substation and at the same voltage level. The Generating Facility's aggregate output as evaluated in the Deliverability Assessment cannot increase as the result of any transfer, but may decrease based on the assignee's characteristics and capacity. The CAISO will inform the Interconnection Customer of each Generating Unit's Deliverability Status and associated capacity as the result of any transfer. The results will be based on the current Deliverability Assessment methodology.

An Interconnection Customer may request to reallocate its Deliverability among its Generating Units and to other Interconnection Customers interconnected at the same substation and at the same voltage level pursuant to Section 6.7.2.2 of this GIDAPRIS, Article 5.19 of the LGIA, and Article 3.4.5 of the SGIA, as applicable. A repowering Interconnection Customer may transfer Deliverability as part of the repowering process pursuant to Section 25.1.2 of the CAISO Tariff. An Interconnection Customer expanding its capacity behind-the-meter pursuant to Section 4.2.1.2 as a modification request also may transfer Deliverability as part of that process, or subsequently under the other processes in this Section. The assignee of a Deliverability transfer does not need to submit a modification request to receive a transfer.

Section 9 Additional Deliverability Assessment Options

9.1 [Intentionally Omitted]

9.2 [Intentionally Omitted]

9.3 PTO Tariff Option for Full Capacity Deliverability Status

To the extent that a Participating TO's tariff provides the option for customers taking interconnection service under the Participating TO's tariff to obtain Full Capacity Deliverability Status, the CAISO will, in coordination with the applicable Participating TO, perform the necessary Deliverability studies to determine the Deliverability of customers electing such option. The CAISO shall execute any necessary agreements for reimbursement of study costs it incurs and to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to such customers under the Participating TO's tariff.

9.4 Deliverability from Non-Participating TOs

This process applies to Generating Facilities that interconnect to the transmission facilities of a Non-Participating TO located within the CAISO Balancing Authority Area that wish to obtain Full Capacity Deliverability Status or Partial Capacity Deliverability Status under the CAISO Tariff. Such Generating Facilities will be eligible to be studied by the CAISO for Full or Partial Capacity Deliverability Status pursuant to the following provisions:

- (a) The Generating Facility seeking Full or Partial Capacity Deliverability Status under the CAISO Tariff must submit a request to the CAISO to study it for such Status. Such study request will be in the form of the CAISO's pro forma Interconnection Request, must

include the Generating Facility's intended Point of Delivery to the CAISO Controlled Grid, and must be submitted during a Cluster Application Window. The Generating Facility will be required to satisfy the same study deposit and ~~Interconnection Financial Security~~ Commercial Readiness Deposit posting requirements as an Interconnection Customer.

- (b) The Non-Participating TO that serves as the interconnection provider to the Generating Facility must treat the CAISO as an Affected System in the interconnection study process for the Generating Facility.
- (c) As part of the Non-Participating TO's interconnection study process, the CAISO, in its sole discretion and on a case-by-case basis, will determine the adequacy of transmission on the Non-Participating TO's system for the Generating Facility to be deemed fully deliverable to the elected Point of Delivery to the CAISO Controlled Grid. Only those proposed Generating Facilities (or proposed increases in Generating Facility capacity) for which the CAISO has determined there is adequate transmission capacity on the Non-Participating TO system to provide full Deliverability to the applicable Point of Delivery will be eligible to be assessed for Full or Partial Capacity Deliverability Status under the CAISO Tariff.
- (d) If the Generating Facility is eligible for study for Full or Partial Capacity Deliverability Status, the CAISO will include the Generating Facility in the Interconnection Study process for the Queue Cluster associated with the Cluster Application Window in which the Generating Facility has submitted its study request. The Point of Delivery with the CAISO will be treated as the Point of Interconnection for purposes of including the Generating Facility in a ~~Group Study~~ Cluster Study with any applicable CAISO Interconnection Customers in the relevant Queue Cluster. Pursuant to the Queue Cluster Interconnection Study process the Generating Facility will be allocated its cost responsibility share of any applicable LDNUs or ADNUs.

The Generating Facility shall be permitted to select an Option (A) or Option (B) Deliverability option under Section 7.2 (and will be treated as an Option (B) Generating Facility if a selection is not provided to the CAISO) and permitted to participate in TP Deliverability allocation under Section 8.

- (e) The CAISO, Participating TO, and Interconnection Customer will execute any necessary agreements for reimbursement of study costs incurred it to assure cost attribution for any Network Upgrades relating to any Deliverability status conferred to each such interconnection customer under the Non-Participating TO's tariff.
- (f) The Non-Participating TO's interconnection customer will receive repayment of funds expended for the construction of the LDNUs , and, as applicable, ADNUs, on the CAISO Controlled Grid in the same manner as CAISO Interconnection Customers, as specified in Section 14.3.2.

Section 10 Cost Responsibility for Interconnection Customers

10.1 Interconnection Customers in a Queue Cluster.

- (a) RNUs, ~~LOPNUs~~ and LDNUs. The Interconnection Studies will establish Interconnection Customers' Current Cost Responsibility, Maximum Cost Responsibility, and Maximum Cost Exposure consistent with the cost allocations described in Section 8. The CAISO will adjust Interconnection Customers' cost responsibilities as described in this GIDAPRIS. Interconnection Customers will post ~~Interconnection Financial~~

~~Security Commercial Readiness Deposit and GIA Deposit~~ based on their Current Cost Responsibility.

- (b) ~~AOPNUs and~~ ADNUs. Interconnection Customers selecting Option (A) do not ~~post Interconnection Financial Security for~~ include ADNUs in the Commercial Readiness Deposit and GIA Deposit. ~~Interconnection Customers do not post Interconnection Financial Security for AOPNUs.~~ The Current Cost Responsibility provided in the ~~Phase I Interconnection Cluster~~ Studies establishes the basis for the initial ~~Interconnection Financial Security Posting~~ Commercial Readiness Deposit under Section 11.2. For Interconnection Customers selecting Option (B), the ~~Phase II Interconnection Studies annual reassessment~~ shall refresh the Current Cost Responsibility for ADNUs ~~and shall provide the basis for second and third Interconnection Financial Postings as specified in Section 11.~~

The ADNU ~~and AOPNU~~ 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 ADNUs ~~or AOPNUs~~. However, subsequent to the Interconnection Customer's receipt of its ~~Phase II~~ Interconnection Facilities Study report, an Interconnection Customer having selected Option (B) may have its ADNUs adjusted in the reassessment process undertaken under Section 7.4. Accordingly, for such Interconnection Customers, the most recent annual reassessment undertaken under Section 7.4 shall provide the most recent cost estimates for the Interconnection Customer's ADNUs.

10.2 ~~Interconnection Customers in the Independent Study Process~~ [Not Used].

- ~~(a) Assigned Network Upgrades. The Current Cost Responsibility for the Interconnection Customer's Financial Security for RNUs shall be established by the costs for such Network Upgrades assigned to the Interconnection Customer in the final system impact and facilities study report.~~

~~For such Interconnection Customers choosing Full Capacity or Partial Capacity Deliverability status, the maximum value of LDNUs shall be established by the lesser of the costs for such Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study or the final Phase II Interconnection Study.~~

~~For such Interconnection Customers choosing Off-Peak Deliverability Status, the maximum value of LOPNUs will be established by the lesser of the costs for such Network Upgrades assigned to the Interconnection Customer in the final Phase I Interconnection Study or the final Phase II Interconnection Study.~~

~~The Interconnection Customer's Maximum Cost Responsibility shall be subject to further adjustment based on the results of the annual reassessment process, as set forth in Section 7.4.~~

- ~~(b) ADNUs and AOPNUs. Interconnection Customers selecting Option (A) do not post Interconnection Financial Security for ADNUs. The Current Cost Responsibility provided in the Phase I Interconnection Studies establishes the basis for the initial Interconnection Financial Security posting under Section 11.2. For Interconnection Customers selecting Option (B), the Phase II Interconnection Studies shall refresh the Current Cost Responsibility for ADNUs and shall provide the basis for second and third Interconnection Financial Postings as specified in Section 11.~~

~~The ADNU cost estimates provided in any study report are estimates only and do not provide a maximum value for cost responsibility to an Interconnection Customer for ADNUs. However, subsequent to the Interconnection Customer's receipt of its Phase II~~

~~Interconnection Study report, an Interconnection Customer having selected Option (B) may have its ADNU adjusted in the reassessment process undertaken under Section 7.4.~~

~~Interconnection Customers do not post Interconnection Financial Security for AOPNUs.~~

Section 11 ~~Interconnection Financial Security~~ Commercial Readiness Deposit and GIA Deposit

11.1 Types of ~~Interconnection Financial Security~~ Commercial Readiness Deposit and GIA Deposit

The ~~Interconnection Financial Security~~ Commercial Readiness Deposit and GIA Deposit posted by an Interconnection Customer may be any combination of the following types of ~~Interconnection Financial Security~~ Commercial Readiness Deposit or GIA Deposit provided in favor of the applicable Participating TO(s):

- (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 Poors 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 Poors 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 Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO(s);
- (e) a certificate of deposit in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the applicable Participating TO(s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's.

~~Interconnection Financial Security~~ Commercial Readiness Deposit and GIA Deposit instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) 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 CAISO and applicable Participating TO(s).

The CAISO shall publish and maintain standardized forms related to the types of deposits ~~Interconnection Financial Security~~ listed above which shall be accessible on the CAISO Website. The CAISO shall require the use of standardized forms of Commercial Readiness Deposit and GIA Deposit ~~Interconnection Financial Security~~ to the greatest extent possible. If at any time the guarantor of the Commercial Readiness Deposit or GIA Deposit ~~Interconnection Financial Security~~ fails to maintain the credit rating required by this Section, the Interconnection Customer shall provide to the applicable Participating TO(s) replacement Commercial Readiness Deposit or GIA Deposit ~~Interconnection Financial Security~~ meeting the requirements of this Section within five (5) Business Days of the change in credit rating.

The CAISO shall, upon receipt, deposit all Commercial Readiness Deposit, GIA Deposit, and other deposit amounts in an interest-bearing account at a bank or financial institution designated

by the CAISO. Interest on a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account under subpart (d) of this Section will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis. Any interest earned on such amounts, based on the actual rate of the account, shall be allocated and disbursed in the same manner as the principal, in accordance with the methodology set forth in this Section 7.6

~~11.2 — Interconnection Financial Security-Initial Posting for Queue Cluster Customers~~

~~11.2.1~~ Each Interconnection Customer in a Queue Cluster shall post, with notice to the CAISO, two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; (ii) a posting relating to the Participating TO's Interconnection Facilities.

~~Interconnection Customers owned by Participating Transmission Owners are not required to post Interconnection Financial Security to themselves. Notwithstanding this exemption, Interconnection Customers owned by Participating Transmission Owners (i) must post Interconnection Financial Security required for Network Upgrades or Participating TO's Interconnection Facilities on other Participating Transmission Owner's systems where required for interconnection; and (ii) must remit to the CAISO an amount equal to any non-fundable portion of the Interconnection Financial Security that would have been forfeited upon withdrawal or termination absent this exemption pursuant to Sections 7.6 and 11.4.~~

~~11.2.2~~ Timing of Postings. The postings set forth in this Section shall be made any time after the issuance of the final Phase I Interconnection Study report but no later than ninety (90) calendar days after issuance of the final Phase I Interconnection Study report for Interconnection Customers in a Queue Cluster.

~~Revised Cluster Study Reports. If the CAISO revises a final Phase I Interconnection Study report pursuant to Section 6.8, the initial postings 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.~~

~~11.2.3 — Posting Amount for Network Upgrades.~~

~~11.2.3.1 — Small Generator Interconnection Customers~~

~~Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument as follows:~~

- ~~1) — Interconnection Customers selecting Energy Only Deliverability Status must post for assigned RNUs and assigned LOPNUs, if any.~~

~~The posting amount for such RNUs and LOPNUs shall equal the lesser of fifteen percent (15%) of the Current 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, but in no event less than \$50,000.~~

- ~~2) Interconnection Customers selecting Option (A) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs, LOPNUs, and LDNUs, if any.~~

~~The posting amount for such RNUs, LOPNUs, and LDNUs shall equal the lesser of fifteen percent (15%) of the Current 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, but in no event less than \$50,000.~~

- ~~3) Interconnection Customers selecting Option (B) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs, LDNUs, LOPNUs, and ADNUs, if any.~~

~~The posting amount for such RNUs, LDNUs, LOPNUs, and ADNUs shall equal the lesser of fifteen percent (15%) of the ADNU costs and total Current 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, but in no event less than \$50,000.~~

~~11.2.3.2 Large Generator Interconnection Customers~~

~~Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument as follows:~~

- ~~1) Interconnection Customers selecting Energy Only Deliverability Status must post for assigned RNUs and assigned LOPNUs, if any.~~

~~The posting amount for such RNUs and LOPNUs shall equal the lesser of (i) fifteen percent (15%) of the total RNU Current 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, but in no event less than \$500,000.~~

~~In addition, 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, the required Interconnection Financial Security for Network Upgrades shall, for purposes of this section, be additionally capped at an amount no greater than the Current 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 or Partial Capacity Deliverability Status must post for assigned RNUs, LOPNUs, and LDNUs, if any.~~

~~The posting amount for such RNUs and LDNUs shall equal the lesser of (i) fifteen percent (15%) of the Current 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, but in no event less than \$500,000.~~

- ~~3) Interconnection Customers selecting Option (B) Full Capacity or Partial Capacity Deliverability Status must post for assigned RNUs, LDNUs, LOPNUs, and ADNUs, if any.~~

~~The posting amount for such RNUs, LDNUs, LOPNUs, and ADNUs shall equal the lesser of (i) fifteen percent (15%) of the ADNU costs and the total Current 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, but in no event less than \$500,000.~~

~~11.2.4 Posting Amount for Participating TO Interconnection Facilities.~~

~~11.2.4.1 Small Generator Interconnection Customers~~

~~Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO's Interconnection Facilities 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, but in no event less than \$50,000.~~

~~11.2.4.2 Large Generator Interconnection Customers~~

~~Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster shall post an Interconnection Financial Security instrument in an amount equal to the lesser of (i) fifteen (15) percent of the Current Cost Responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO's Interconnection Facilities, (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, but in no event less than \$500,000.

~~11.2.5 Cost Estimates Less than Minimum Posting Amounts.~~

~~If (1) the Current Cost Responsibility of the Assigned Network Upgrades, (2) the allocated costs of the Participating TO Interconnection Facilities, or (3) both are less than the respective minimum posting amounts that would apply under Sections 11.2.4.1 or 11.2.4.2, then the posting amount required will equal the Current Cost Responsibility of the Assigned Network Upgrades or the allocated costs for Participating TO Interconnection Facilities, as applicable.~~

~~11.2.6 Consequences for Failure to Post.~~

~~The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section shall result in the Interconnection Request being deemed withdrawn and subject to Section 3.8. The Interconnection Customer shall provide the CAISO and the Participating TO with written notice that it has posted the required Interconnection Financial Security no later than the applicable final day for posting.~~

~~11.2.7 Re-calculation of Initial Posting Requirement.~~

~~If withdrawals, modifications, or system changes occur after the completion of the Phase I Interconnection Study, pursuant to Section 6.7.2, and the CAISO, in consultation with the applicable Participating TO(s), 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) some of the Network Upgrades and/or Participating TO 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 and/or Participating TO Interconnection Facilities. Such determination will be made based on the CAISO's best engineering judgment and will not include any re-studies.~~

~~11.3 Interconnection Financial Security-Second and Third Postings for Queue Cluster Customers and Initial and Second Postings for Independent Study Process Customers~~

~~11.3.1 Second Posting for Queue Cluster Customers; Initial Posting for Independent Study Process Customers~~

~~11.3.1.1~~ ~~Each Interconnection Customer in a Queue Cluster shall make second postings, with notice to the CAISO, of two separate Interconnection Financial Security instruments: (i) a second posting relating to the Network Upgrades; and (ii) a second posting relating to the Participating TO's Interconnection Facilities. The Current Cost Responsibility for calculating the second and third Interconnection Financial Security postings for Interconnection Customers in Queue Clusters shall be set forth in the Phase II Interconnection Study report.~~

~~Each Interconnection Customer in the Independent Study Process shall make initial postings, with notice to the CAISO, of two separate Interconnection Financial Security instruments: (i) a posting relating to the applicable Network Upgrades; and (ii) a posting relating to the Participating TO's Interconnection Facilities. The Current Cost Responsibility for calculating the initial Interconnection Financial Security Posting shall be set forth in the System Impact and Facilities Study report.~~

11.3.1.2 ~~Timing of Posting~~

~~The postings set forth in this Section for Interconnection Customers in a Queue Cluster shall be made any time after issuance of the final Phase II Interconnection Study report but no later than one hundred eighty (180) calendar days after issuance of the final Phase II Interconnection Study report.~~

~~The initial postings for Interconnection Customers in the Independent Study Process shall be made any time after the issuance of the final System Impact and Facilities Study report under the Independent Study Process but no later than one hundred twenty (120) calendar days after the CAISO provides the results of the System Impact and Facilities Study.~~

~~Revised Cluster Study Reports. If the CAISO revises a final Phase II Interconnection Study report pursuant to Section 6.8, the second postings will be due 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.~~

~~Revised Independent Study Track Reports. If the CAISO revises the final System Impact and Facilities Study report pursuant to Section 6.8, the initial postings will be due by the later of one hundred twenty (120) calendar days after the issuance of the original final System Impact and Facilities Study report or thirty (30) calendar days from the issuance of the revised System Impact and Facilities Study report.~~

11.3.1.3 ~~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 either the first TP Deliverability allocation following its receipt of the final Phase II Interconnection Study or the TP Deliverability allocation after parking, and who chooses to park the Interconnection Request, the posting due date will be extended by 12 months consistent with each parking election after the initial allocation process.~~

~~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 RNU, Participating TO Interconnection Facilities, LOPNUs, and for LDNUs corresponding to the initial allocation of TP Deliverability will be due in accordance with the dates specified in this Section 11. The posting due date for the LDNUs corresponding to the remainder of the requested Deliverability will be extended by 12 months consistent with each parking election after the initial allocation process.~~

11.3.1.4 ~~Network Upgrade Posting Amounts~~

11.3.1.4.1 ~~Small Generator Interconnection Customers~~

~~Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster or an Interconnection Customer for a Small Generating Facility in the Independent Study Process 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) \$1 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LOPNUs in either the final Phase II Interconnection Study report, or for Independent Study Process Interconnection Customers, the system impact and facilities study. In no event shall the total amount posted be less than \$100,000.~~
- 2) ~~For Interconnection Customers who have Option (A) Generating Facilities, the lesser of (i) \$1 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs, LOPNUs, and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study.~~

~~However, in no event shall the total amount posted be less than \$100,000.~~

- 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 Current Cost Responsibility assigned to the Interconnection Customer for RNUs, LOPNUs, and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study; plus~~
 - (b) ~~thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for ADNUs 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 ADNUs will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is for the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will equal zero (0). If the allocation of TP Deliverability is less than the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will be reduced pro rata.~~~~

~~However, in no event shall the total amount posted be less than \$100,000.~~

11.3.1.4.2 Large Generator Interconnection Customers

Each Interconnection Customer for a Large Generating Facility assigned to a Queue Cluster and each Interconnection Customer for a Large Generating Facility in the Independent Study Process 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 Current Cost Responsibility assigned to the Interconnection Customer for RNUs and LOPNUs in the final Phase II Interconnection Study, system impact and facilities study. In no event shall the total amount posted be less than \$500,000.~~
- ~~2) For Interconnection Customers, who have Option (A) Generating Facilities the lesser of (i) \$15 million or (ii) thirty (30) percent of the Current Cost Responsibility assigned to the Interconnection Customer for RNUs, LOPNUs, and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study.~~

~~However, in no event shall the total amount posted be less than \$500,000.~~

- ~~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 Current Cost Responsibility assigned to the Interconnection Customer for RNUs, LOPNUs, and LDNUs in the final Phase II Interconnection Study or, for Independent Study Process Interconnection Customers, in the system impact and facilities study; plus~~
 - ~~(b) thirty (30) percent of the cost responsibility assigned to the Interconnection Customer for ADNUs 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 ADNUs will be adjusted to reflect the allocation of TP Deliverability. If the allocation of TP Deliverability is for the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will equal zero (0). If the allocation of TP Deliverability is less than the full Deliverability of the Interconnection Request, then the ADNU cost responsibility will be reduced pro-rata.~~~~

~~However, in no event shall the total amount posted be less than \$500,000.~~

~~11.3.1.4.3 Cost Estimates Less than Minimum Posting Amounts.~~

~~If the Current Cost Responsibility of the Assigned Network Upgrades are less than the posting amounts set forth in Section 11.3.1.4 above, then posting amount required will be equal to the Current Cost Responsibility of the Assigned Network Upgrades.~~

~~11.3.1.4.4 Posting Related to Interconnection Customer's Stand Alone Network Upgrades~~

~~If the Interconnection Customer desires to self-build Stand Alone Network Upgrades consistent with its interconnection study reports, the Interconnection Customer must post the Interconnection Financial Security for the Stand Alone Network Upgrades in its Interconnection Financial Security posting. The Interconnection Customer may request to build the Stand Alone Network Upgrades in the Generator Interconnection Agreement negotiation process, and if the Participating TO and the CAISO agree, the interconnection study reports and the second posting will be revised accordingly once the Generator Interconnection Agreement has been fully executed and documents the Stand Alone Network Upgrades. If the Participating TO and the CAISO agree to allow the Interconnection Customer to build a Stand Alone Network Upgrade in an executed Generator Interconnection Agreement, the Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure will be reduced by the cost of the Stand Alone Network Upgrade, and both the original and revised Maximum Cost Responsibility and Maximum Cost Exposure will be documented in the Generation Interconnection Agreement.~~

~~If at any time the responsibility for constructing the Stand Alone Network Upgrade, or a portion thereof, reverts to the Participating TO, the Interconnection Customer will be required to revise its Interconnection Financial Security posting within thirty (30) calendar days to reflect that the Participating TO will build the Stand Alone Network Upgrade. The Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure also will be revised to reflect that the Participating TO will build the Stand Alone Network Upgrade. Failure to make a timely posting adjustment will result in the withdrawal of the Interconnection Request in accordance with Section 3.8. If an Interconnection Customer has been allowed to reduce its Interconnection Financial Security posting following the execution of its Generator Interconnection Agreement and subsequently withdraws, the amount of the Interconnection Financial Security that is determined to be refundable under Section 11.4.2 will be reduced by the amount of the Interconnection Financial Security posting the Interconnection Customer avoided through the self-build option.~~

~~11.3.1.5 Posting Amount for Participating TO Interconnection Facilities.~~

~~11.3.1.5.1 Small Generator Interconnection Customers~~

~~Each Interconnection Customer for a Small Generating Facility assigned to a Queue Cluster and each Interconnection Customer for a Small Generating Facility in the Independent Study Process shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Participating TO Interconnection Facilities equals the lesser of (i) \$1 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Participating TO Interconnection Facilities in the final Phase II Interconnection Study or system impact and facilities study. In no event shall the total amount posted be less than \$100,000.~~

~~11.3.1.5.2 Large Generator Interconnection Customers~~

~~Each Interconnection Customer for a Large Generating Facility assigned~~

~~to a Queue Cluster and each Interconnection Customer for a Large Generating Facility in the Independent Study Process shall post an Interconnection Financial Security instrument such that the total Interconnection Financial Security posted by the Interconnection Customer for Participating TO Interconnection Facilities equals the lesser of (i) \$15 million or (ii) thirty (30) percent of the total cost responsibility assigned to the Interconnection Customer for Participating TO Interconnection Facilities in the final Phase II Interconnection Study or system impact and facilities study. In no event shall the total amount posted be less than \$500,000.~~

~~11.3.1.5.3 — Cost Estimates Less than Minimum Posting Amounts.~~

~~If the costs of the estimated Participating TO Interconnection Facilities are less than the posting amounts set forth in Section 11.3.1.5.2 above, the posting amount required will be equal to the estimated Participating TO Interconnection Facilities amount.~~

~~11.3.1.6 — Early Commencement of Construction Activities~~

~~If the start date for Construction Activities of Network Upgrades or Participating TO's Interconnection Facilities 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 for Interconnection Customers in a Queue Cluster or prior to one hundred twenty (120) calendar days after issuance of the final system impact and facilities study report for Interconnection Customers in the Independent Study Process, 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 Section 11.3.2 rather than Section 11.3.1.~~

~~11.3.1.7 — Consequences for Failure to Post~~

~~The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section shall constitute grounds for termination of the GIA pursuant to LGIA Article 2.3 or SGIA Article 3.3, whichever is applicable.~~

~~11.3.2 — Third Posting for Queue Cluster Customers and Second Posting for Independent Study Process Customers~~

~~After the second posting for a Queue Cluster has been made but no later than the start of Construction Activities for Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.~~

~~After the first posting for Independent Study Process Customers has been made but no later than the start of Construction Activities for Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer shall modify the two separate Interconnection Financial Security instruments posted pursuant to Section 11.3.1.~~

~~11.3.2.1 — 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 assigned ADNU costs and the Current Cost Responsibility assigned to the Interconnection Customer as determined in Section 11.3.1.4.1 for Small Generator Interconnection Customers or in Section 11.3.1.4.2 for Large Generator Interconnection Customers.~~

~~An Interconnection Customer whose Option (B) Generating Facility was not allocated TP Deliverability and elects to have a party other than the applicable Participating TO(s) construct an LDNU or ADNU is not required to make this posting for its cost responsibilities for such LDNU or ADNU. 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 LDNU or ADNU pursuant to Section 24.4.6.1 of the CAISO Tariff. An Interconnection Customer's election to have a party other than an applicable Participating TO construct an LDNU or ADNU does not relieve the Interconnection Customer of the responsibility to fund or construct such LDNU or ADNU. Upon the Interconnection Customer's demonstration to the CAISO that the Interconnection Customer has expended the amount of the avoided posting requirement on construction of the LDNU or ADNU described here, the Interconnection Customer's prior posting for these facilities will be returned to the Interconnection Customer, unless the Participating TO and Interconnection Customer agree to an alternative arrangement.~~

11.3.2.2 Participating TO Interconnection Facilities

~~With respect to the Interconnection Financial Security Instrument for Participating TO Interconnection Facilities, 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 Participating TO Interconnection Facilities in the final Phase II Interconnection Study for Interconnection Customers in a Queue Cluster, or the final system impact and facilities study for Interconnection Customers in the Independent Study Process.~~

11.3.2.3 Separation of Posting

~~If an Interconnection Customer's Network Upgrades and/or Interconnection Facilities are separated into two or more specific components and/or can be separated into two or more separate and discrete phases of construction and the Participating TO is able to identify and separate the costs of the identified discrete components and/or phases of construction, then the Participating TO, the CAISO, and the Interconnection Customer may negotiate, as part of the Generator Interconnection Agreement, a division of the Interconnection Financial Security posting required by this Section 11.3.2 into discrete Interconnection Financial Security amounts and may establish discrete milestone dates (however, outside dates must be included) for posting the amounts corresponding to each component and/or phase of construction related to the Network Upgrades and/or Interconnection Facilities described in the Generator Interconnection Agreement.~~

11.3.2.4 Failure to Post

~~The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this Section shall constitute grounds for termination of the GIA pursuant to LGIA Article 2.3 or SGIA Article 3.3, whichever is applicable.~~

~~11.3.2.5 Conversion of Conditionally Assigned Network Upgrades~~

~~If at any time an Interconnection Customer's Interconnection Studies are revised to reflect that Conditionally Assigned Network Upgrades have become Assigned Network Upgrades, the Interconnection Customer's Maximum Cost Responsibility, Current Cost Responsibility, Generator Interconnection Agreement, and Interconnection Financial Security will be revised to reflect the conversion, as applicable.~~

~~11.4 Withdrawal or Termination Effect on Financial Security~~

~~Withdrawal of an Interconnection Request or termination of a GIA shall allow the applicable Participating TO(s) 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 applicable Participating TO(s) 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 Participating TO Interconnection Facilities, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer for the Participating TO's Interconnection Facilities and for which the applicable Participating TO(s) has not been reimbursed.~~

~~11.4.1 [Intentionally Omitted]~~

~~11.4.2 Determining Refundable Portion of the Interconnection Financial Security for Network Upgrades~~

~~11.4.2.1 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 at any time between the initial posting and the deadline for the second posting of the Interconnection Financial Security for applicable Network Upgrades, then the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for the applicable Network Upgrades 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 fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or \$10,000 per requested and approved, pre-downsized megawatt of the Generating Facility Capacity.~~

~~11.4.2.2 Withdrawal Between the Second Posting and the Commencement~~

of Construction Activities

If the Interconnection Customer either withdraws or terminates its GIA at any time after the 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 applicable Participating TO(s) shall liquidate the Interconnection Financial Security for the applicable Network Upgrades 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) and less (any posting reduction due to the Interconnection Customer's election to self-build Stand Alone Network Upgrades); or~~
- b. ~~the Interconnection Financial Security plus (any other provided security plus any separately provided capital) minus the lesser of fifty (50) percent of the value of the posted Interconnection Financial Security for Network Upgrades or \$20,000 per requested and approved, pre-downsized megawatt of the Generating Facility Capacity.~~

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

~~If, at any time after the second posting requirement, the Interconnection Customer withdraws the Interconnection Request or terminates the GIA, as applicable, because the Interconnection Customer received a final denial from the primary issuing Governmental Authority for authorization necessary for the construction or operation of the Generating Facility, 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 Section 11.4.2.2 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the applicable Participating TO(s) for Construction Activities.~~

11.4.2.4 ~~After Commencement of Construction Activities.~~

~~Except as otherwise provided in Section 11.4.2.3, 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 applicable Participating TO(s) 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 applicable Participating TO(s) 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 Participating TO Interconnection Facilities, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer for the Participating TO's Interconnection Facilities and for which the applicable Participating TO(s) has not been reimbursed in accordance with this Section.~~

~~11.4.2.5 Notification to CAISO and Accounting by Applicable Participating TO(s).~~

~~The applicable Participating TO(s) shall notify the CAISO within one (1) Business Day of liquidating any Interconnection Financial Security. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) shall provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this Section.~~

~~All non-refundable portions of the Interconnection Financial Security remitted to the CAISO in accordance with this Section, and any non-refundable interconnection financial security funds that are received by the CAISO from a Participating TO pursuant to a requirement in the Participating TO's wholesale distribution tariff for such funds to be distributed by the CAISO, shall be treated in accordance with Section 7.6.~~

11.5 Adjusting Network Upgrade Postings Following Reassessment Process

~~For Interconnection Customers having selected Option (B), the most recent reassessment conducted under Section 7.4 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 ADNUs and the Interconnection Customer shall adjust its Interconnection Financial Security for Network Upgrades to correspond to the most recent estimate for ADNUs.~~

Section 12 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 the applicable Participating TO(s) shall offer the Interconnection Customer, an E&P Agreement that authorizes the applicable Participating TO(s) to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, the applicable Participating TO(s) shall not be obligated to offer an E&P Agreement if the Interconnection Customer is in Dispute Resolution as a result of an allegation that the Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the **GIDAPRIS**. The E&P Agreement is an optional procedure. The E&P Agreement shall provide for the Interconnection Customer to pay the cost of all activities authorized by the Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

The 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 the 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, the Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment

cannot be reasonably canceled, the applicable Participating TO(s) may elect: (i) to take title to the equipment, in which event the applicable Participating TO(s) shall refund the 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 the Interconnection Customer, in which event the Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 13 Generator Interconnection Agreement (GIA)

13.1 Tender

13.1.1

~~The Interconnection Customer will tender comments on the draft Interconnection Facilities Study Report within thirty (30) calendar days of receipt of the report. Within thirty (30) calendar days after the latter of (a) the comments are submitted, (b) the Interconnection Customer notifies the CAISO it will not provide comments, the Participating TO will tender a draft GIA, together with draft appendices. The draft GIA will be in the form of the CAISO's FERC-approved standard form GIA, which is in Appendix LL or MM, as applicable. The Interconnection Customer will execute and return the GIA and completed draft appendices within thirty (30) calendar days, unless (1) the sixty (60) calendar day negotiation period under Section 13.2 of this RIS has commenced, or (2) GIA execution, or filing unexecuted, has been delayed to await the Affected System Study Report pursuant to Section 13.2.1 of this RIS. The applicable Participating TO will tender a draft GIA, together with draft appendices, to the CAISO and the Interconnection Customer no later than the sum of (i) one hundred eighty (180) calendar days and (ii) the estimated time to construct the Interconnection Facilities and Network Upgrades indicated in the applicable study report needed by this or any other dependent project, prior to the In-Service Date. The applicable Participating TO may tender the draft GIA any time after the Phase II Study report is issued and before the determined tender date on its own accord or at the request of either the CAISO or the Interconnection Customer. Notwithstanding the foregoing, an Option (A) Generating Facility will not be tendered a GIA until it concludes its parking by accepting a TP Deliverability allocation or converting to Energy Only Deliverability Status pursuant to Section 8.9.2 and has made its second Interconnection Financial Security posting pursuant to Section 11.3. The CAISO and Participating TO will suspend negotiations for an Option (A) Generating Facility that has been tendered a GIA and subsequently elects to park its Interconnection Request. The draft GIA will be in the form of the FERC-approved GIA set forth in CAISO Tariff Appendix EE or Appendix FF, as applicable.~~

13.1.2 Consistent with Section 13.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the GIA, as appropriately modified.

13.2 Negotiation

~~Notwithstanding Section 13.1 of this RIS, at the request of Interconnection Customer, the CAISO and Participating TO will begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. The CAISO, Participating TO, and the Interconnection Customer will negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than sixty (60) calendar days after tender of the final Interconnection Facilities Study Report. If the 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 Section 13.1 of this RIS and request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5 of this RIS. If the Interconnection Customer requests~~

termination of the negotiations, but within sixty (60) calendar days thereafter fails to request either the filing of the unexecuted GIA or initiate Dispute Resolution, it will be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 of this RIS within sixty (60) calendar days of tender of draft GIA, it will be deemed to have withdrawn its Interconnection Request. The Participating TO will provide to the Interconnection Customer a final GIA within fifteen (15) Business Days after the completion of the negotiation process.

~~The applicable Participating TO, the CAISO and the Interconnection Customer will negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than one hundred twenty (120) calendar days after the Participating TO provides the Interconnection Customer and the CAISO with the draft GIA. If the 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. Within seven (7) calendar days of such request, the Interconnection Customer will request submission of the unexecuted GIA with FERC or initiate Dispute Resolution procedures pursuant to Section 15.5. If the Interconnection Customer requests termination but fails to request submission of the unexecuted GIA or to initiate Dispute Resolution within seven (7) calendar days, it will be deemed to have withdrawn its Interconnection Request.~~

~~Neither the CAISO nor the Participating TO may declare an impasse until one hundred twenty (120) calendar days after the draft GIA was tendered. If the CAISO or the Participating TO declares an impasse, that party will file the GIA unexecuted with FERC within twenty one (21) calendar days.~~

~~Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the GIA, requested filing of an unexecuted GIA, or initiated Dispute Resolution procedures pursuant to Section 15.5 within one hundred twenty (120) calendar days after issuance of the draft GIA, it shall be deemed to have withdrawn its Interconnection Request. The CAISO will provide to the Interconnection Customer a final GIA within ten (10) Business Days after the completion of the negotiation process and receipt of all requested information.~~

~~**13.2.1** Any time after the Phase II Study report is issued, if the Interconnection Customer's In-Service Date is not achievable based on the estimated time (i) to construct the longest lead Network Upgrade, Interconnection Facility, or Generating Facility as set forth in the Interconnection Customer's study reports, and (ii) the time needed to negotiate the GIA, the Interconnection Request shall be deemed withdrawn pursuant to Section 3.8.~~

13.2.1 Delay in LGIA Execution, or Filing Unexecuted, to Await Affected System Study Report

If the Interconnection Customer has not received its Affected System Study Report from an Identified Affected System prior to the date it would be required to execute its GIA (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS, the CAISO will, upon request of the Interconnection Customer, extend this deadline to thirty (30) calendar days after the Interconnection Customer's receipt of the Affected System Study Report, or two hundred and ten (210) calendar days after the tendering of the GIA and appendices, whichever is earlier.

If the Interconnection Customer, after delaying GIA execution, or requesting unexecuted filing, to await Affected System Study Report, decides to proceed to GIA execution, or request unexecuted filing, without those results, it may notify the CAISO of its intent to proceed with GIA execution (or request that its GIA be filed unexecuted) pursuant to Section 13.1 of this RIS.

If the CAISO determines that further delay to the GIA execution date would cause a material impact on the cost or timing of an equal- or lower-queued Interconnection Customer, the CAISO must notify the Interconnection Customer of such impacts and set the deadline to execute the GIA (or request that the GIA be filed unexecuted) to thirty (30) calendar days after such notice is provided.

13.3 Execution and Filing

The Interconnection Customer shall either: (i) execute the appropriate number of originals of the tendered GIA as specified in the directions provided by the CAISO and return them to the CAISO, as directed, for completion of the execution process; or (ii) request in writing that the applicable Participating TO(s) and CAISO file with FERC a GIA in unexecuted form. The GIA shall be considered executed as of the date that all three Parties have signed the GIA. As soon as practicable, but not later than ten (10) Business Days after receiving either the 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, the applicable Participating TO(s) and CAISO shall file the GIA with FERC, as necessary, together with an explanation of any matters as to which the Interconnection Customer and the applicable Participating TO(s) or CAISO disagree and support for the costs that the applicable Participating TO(s) propose to charge to the Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by the applicable Participating TO(s) and CAISO 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.

Simultaneously with submitting the executed GIA, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC, the Interconnection Customer shall provide the CAISO with the following: (1) demonstration of continued Site Control pursuant to Section 8.1.1(2) of this RIS; and (2) the GIA Deposit equal to twenty percent (20%) of Interconnection Customer's estimated Network Upgrade costs identified in the draft GIA minus the total amount of Commercial Readiness Deposits that Interconnection Customer has provided to the CAISO for its Interconnection Request. The CAISO shall use GIA Deposit as (or as a portion of) the Interconnection Customer's security required under GIA Article 11.5. The Interconnection Customer may not request to suspend its GIA under GIA Article 5.16 until Interconnection Customer has provided (1) and (2) to the CAISO. If the Interconnection Customer fails to provide (1) and (2) to the CAISO within the thirty (30) days allowed for returning the executed GIA and appendices under RIS Section 13.1.1, or within ten (10) Business Days after the Interconnection Customer requests that the CAISO file the GIA unexecuted at FERC as allowed in this Section 13.3 of this RIS, the Interconnection Request will be deemed withdrawn pursuant to Section 3.8 of this RIS.

13.4 Commencement of Interconnection Activities

If the Interconnection Customer executes the final GIA, the applicable Participating TO(s), CAISO and the 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, the Interconnection Customer, applicable Participating TO(s) and CAISO may proceed to comply with the unexecuted GIA, pending FERC action.

13.5 Interconnection Customer to Meet PTO Handbook Requirements

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the applicable Participating TO's Interconnection Handbook.

Section 14 PTOs Interconnection Facilities and Network Upgrades Construction and Neighboring System Impacts

14.1 Schedule

The applicable Participating TO(s) and the Interconnection Customer shall negotiate in good faith

concerning a schedule for the construction of the applicable Participating TO's Interconnection Facilities and the Network Upgrades.

14.2 Construction Sequencing

14.2.1 General

In general, the sequence of construction of Stand Alone Network Upgrades or other Network Upgrades for a single Interconnection Request, 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 Stand Alone Network Upgrades or other Network Upgrades.

14.2.2 Construction of Network Upgrades that are or were an Obligation of an Entity other than the Interconnection Customer

The applicable Participating TO(s) shall be responsible for financing and 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 GIA (or its equivalent predecessor agreement) or unexecuted GIA (or its equivalent predecessor agreement) filed with FERC, and such GIA specifies that the Participating TO would 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).

Where the Participating TO is constructing ADNUs for Option (B) Interconnection Customers and one of the two conditions above occurs, the Participating TO shall continue to construct such ADNUs with financing provided from the ~~Interconnection Financial Security~~ Commercial Readiness Deposit of those Option (B) Interconnection Customers' Interconnection referred to above, with any additional financing requirements to be reapportioned among those remaining Option (B) Interconnection Customers who still need the ADNUs.

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

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the CAISO, applicable Participating TO(s), and the Interconnection Customer as part of the ~~Phase II~~ Interconnection Study, the applicable Participating TO(s) 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 applicable Participating TO(s) any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under Section shall be in addition to the Interconnection Customer's cost responsibility.

14.2.3 Advancing Construction of Network Upgrades that are Part of the CAISO's Transmission Plan

An Interconnection Customer with a GIA, in order to maintain its In-Service Date as specified in the GIA, may request that the CAISO and applicable Participating TO(s) advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an approved CAISO Transmission Plan covering the PTO Service Territory of the applicable Participating TO(s), in time to support such In-Service Date. Upon such request, the applicable Participating TO(s) will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Interconnection Customer commits to pay the applicable Participating TO(s) any associated expediting costs. The Interconnection Customer shall be entitled to refunds, if any, in accordance with the GIA, for any expediting costs paid.

14.2.4 Limited Operation Study

14.2.4.1 Pursuant to Article 5.9 of the Large Generator Interconnection Agreement set forth in Appendices V, BB, CC, and EE, Generating Facilities may request a limited operation study. The Participating TO and/or the CAISO, as applicable, will, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. The Participating TO and the CAISO will permit the Interconnection Customer to operate the Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies. To the extent study assumptions change, the CAISO and Participating TO will update study results as needed.

14.2.4.2 The Generating Unit owner will provide the CAISO a \$10,000 deposit for the limited operation study with the request. Except as provided below, any limited operation study will be concluded, and a response provided to the Generating Unit owner in writing, within forty-five (45) calendar days from when the CAISO receives all of the following: the Generating Unit owner's written approval of the limited operation study plan, technical data required to assess the request, and the \$10,000 deposit. If the limited operation study cannot be completed within that time period, the CAISO will notify the Generating Unit owner and provide an estimated completion date and an explanation of the reasons why additional time is required.

Notwithstanding any other provision, all refunds pursuant to this Appendix ~~DD-KK~~ will be processed in accordance with the CAISO's generally accepted accounting practices, including monthly batched deposit refund disbursements. Any CAISO deadline will be tolled to the extent the Interconnection Customer has not provided the CAISO with the appropriate documents to facilitate the

Interconnection Customer's refund, or if the Interconnection Customer has any outstanding invoice balance due to the CAISO on another project owned by the same Interconnection Customer.

14.2.4.3 The Generating Unit owner will be responsible for the actual costs incurred by the CAISO and the Participating TO(s) in conducting the modification assessment. If the actual costs of the limited operation study are less than the deposit provided by the Generating Unit owner, the Generating Unit owner will be refunded the balance. If the actual costs of the limited operation study are greater than the deposit provided by the Generating Unit owner, the Generating Unit owner shall pay the balance within thirty (30) days of being invoiced. The CAISO will coordinate the request with the Participating TO(s). The Participating TO(s) will invoice the CAISO for any limited operation study work within seventy-five (75) calendar days of completion of the study, and, within thirty (30) days of payment of the Participating TO(s) invoice, the CAISO will issue an invoice or refund to the Generating Unit owner, as applicable, based upon such submitted Participating TO invoices and the CAISO's costs for the assessment.

14.3 Network Upgrades

With the exception of LDNUs and ADNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, Network Upgrades will be constructed by the applicable Participating TO(s). Interconnection Customers may, at their discretion, select parties other than the applicable PTOs to construct certain LDNUs and ADNUs required by their Option (B) Generating Facilities that are not allocated TP Deliverability, if such LDNUs and ADNUs are eligible for construction by parties other than the applicable PTO pursuant to Section 24.5.2 of the CAISO Tariff. Such ADNUs and LDNUs will be incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1, and 36.11. Unless the Interconnection Customer elects construction by a party other than the applicable Participating TO, the applicable Participating TO(s) will be obligated to construct the LDNUs and ADNUs. This Section shall not apply to an Interconnection Customer's right to build Stand Alone Network Upgrade(s) in accordance with the LGIA.

14.3.1 Initial Funding

Assigned Network Upgrades shall be funded by the Interconnection Customer(s) either by means of drawing down the ~~Interconnection Financial Security~~ Commercial Readiness Deposit or GIA Deposit 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 Current Cost Responsibility assigned to each Interconnection Customer(s). Current Cost Responsibility may be adjusted consistent with this GIDAPRIS and up to the Interconnection Customer's Maximum Cost Responsibility, but the applicable Participating TO(s) shall be responsible for funding any capital costs for the Assigned Network Upgrades that exceed the Current Cost Responsibility assigned to the Interconnection Customer(s).

- (a) Where the funding responsibility for any RNUs, ~~LOPNUs~~, and LDNUs has been assigned to a single Interconnection Customer, the applicable Participating TO(s) shall invoice the Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to each Interconnection Customer(s) for the RNUs, ~~LOPNUs~~, or LDNUs, respectively.
- (b) Where the funding responsibility for an RNU, ~~LOPNU~~, or LDNU has been assigned to more than one Interconnection Customer in accordance with this GIDAPRIS, the applicable Participating TO(s) shall invoice each Interconnection

Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such Network Upgrades in accordance with their respective Current Cost Responsibilities. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the Current Cost Responsibility assigned to that Interconnection Customer.

- (c) Where the funding responsibility for an ADNU being constructed by one or more Participating TO has been assigned to more than one Option (B) Interconnection Customer, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12.1 or SGIA Article 6.1, whichever is applicable, for such ADNUs based on their respective Current Cost Responsibilities.

Any permissible extension of the Commercial Operation Date of a Generating Facility will not alter the Interconnection Customer's obligation to finance its Assigned 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.

14.3.2 Repayment of Amounts Advanced for Network Upgrades and Refund of Interconnection Financial Security

14.3.2.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

~~An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 5 or earlier, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing upon the Commercial Operation Date of its Generating Facility.~~

~~An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 6 or later, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered an Interconnection Agreement before December 19, 2014, shall~~ Interconnection Customers will be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Section 14.3.2.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (1) For RNUs, in accordance with the Interconnection Customer's cost responsibility assigned up to a maximum of \$60,000 per MW of generating capacity as specified in the GIA. The CAISO will publish an annual inflation factor and adjusted amount for this figure with the per unit cost publication on the CAISO Website pursuant to Section 6.4 of

this ~~GIDAPRIS~~. Interconnection Customers will be entitled to repayment subject to the figure corresponding to their Commercial Operation Date.

- (2) For LDNUs ~~and LOPNUs~~, except for LDNUs for Option (B) Generating Facilities that were not allocated TP Deliverability, in accordance with the Interconnection Customer's Current Cost Responsibility.
- (3) Option (B) Generating Facilities that were not allocated TP Deliverability will not receive repayment for LDNUs or ADNUs.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

For Network Upgrades the Interconnection Customer funded but did not receive repayment, the Interconnection Customer will be eligible to receive Merchant Transmission Congestion Revenue Rights (CRRs) in accordance with CAISO Tariff Section 36.11 associated with those Network Upgrades, or portions thereof that were funded by the Interconnection Customer. Such CRRs would take effect upon the Commercial Operation Date of the Generating Facility in accordance with the GIA.

14.3.2.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, unless the Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase in accordance with the Interconnection Customer's Current Cost Responsibility assigned for the phase and subject to the limitations specified in Section 14.3.2.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the GIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the GIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to the GIA;
- (e) All parties to the GIA have confirmed that the completed phase meets the requirements set forth in the GIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the GIA;

- (f) The Network Upgrades necessary for the completed phase to meet the desired level of Deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Interconnection Financial Security instruments to the date of commencement of repayment).

~~Following satisfaction of these conditions (a) through (g), an Interconnection Customer in a Queue Cluster earlier than Queue Cluster 5, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to receive a partial repayment of its financed cost responsibility in an amount equal to the percentage of the Generating Facility declared to be in Commercial Operation multiplied by the cost of the Network Upgrades associated with the completed phase. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed.~~

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer ~~will in Queue Cluster 6 or a later Queue Cluster, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered a Generator Interconnection Agreement before December 19, 2014, shall~~ be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this Section 14.3.2.2. If the GIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Section 14.3.2.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the GIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases provided that the party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Section 14.3.2.2 shall include any tax gross-up or other tax-related payments associated with the Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-

dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Section 14.3.2.2 ; or (2) any alternative payment schedule that associates the completion of Network Upgrades with the completion of particular phases and that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date.

14.3.2.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. The Interconnection Customer may assign such repayment rights to any person.

14.4 Special Provisions for Affected Systems, Other Affected PTOs

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected Participating TO(s), as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected Participating TO(s). If the affected entity is another Participating TO, the initial form of agreement will be the GIA, as appropriately modified.

14.4.1 Cost Allocation, ~~Interconnection Financial Security Commercial Readiness Deposit, GIA Deposit~~, and Reimbursement for Multiple Participating TOs

Interconnection Studies will list separate cost estimates for facilities and Network Upgrades required on the interconnecting Participating TO and affected Participating TO's systems. These separate sums will produce a single, combined Maximum Cost Responsibility and a single, combined Maximum Cost Exposure for the Interconnection Customer. Current Cost Responsibilities for each Participating TO's facilities and Network Upgrades may be adjusted up to the Interconnection Customer's Maximum Cost Responsibility and Maximum Cost Exposure, as applicable.

The Interconnection Customer will post its ~~initial and second Interconnection Financial Security Commercial Readiness Deposits and GIA Deposit to the interconnecting Participating TO only, for the facilities and Network Upgrades on both the interconnecting and affected Participating TOs' systems. The Interconnection Customer will post its third Interconnection Financial Security~~ to each Participating TO based on the separate Current Cost Responsibilities for facilities and Network Upgrades on their respective systems.

Each Participating TO will repay amounts received for Network Upgrades pursuant to this ~~GIDAPRIS~~. Reimbursement for Reliability Network Upgrades will be paid by each Participating TO but subject to a single, combined maximum based upon the Interconnection Customer's generating capacity, as described in Section 14.3.2. If the amount funded for the Reliability Network Upgrades exceeds this maximum, each Participating TO will repay the Interconnection Customer proportional to its share of the Interconnection Customer's Current Cost Responsibility for the Reliability Network Upgrades.

14.5 CAISO as an Affected System

An interconnection customer in Balancing Authority Areas that may affect the reliability of the CAISO Controlled Grid will execute the CAISO as an Affected System Study Agreement, Appendix B.23 to the CAISO Tariff, to allow the CAISO and affected Participating TO(s) to study the impact of the interconnection. The agreement will specify the terms governing the study. In performing the study, the CAISO and Participating TO will use the Base Case effective upon execution of the Affected System Study Agreement. The CAISO and Participating TOs whose system may be impacted by a proposed interconnection on another transmission provider's transmission system will cooperate with the transmission provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to the CAISO Controlled Grid.

14.5.1 Cost Allocation and Interconnection Financial Security Applicability

Affected system studies will list separate cost estimates for facilities and Network Upgrades required in the CAISO Balancing Authority Area. These separate sums may be adjusted over time based on actual costs incurred. The interconnection customer will post financial security with the impacted Participating TO(s) for facilities and Network Upgrades.—This Section 14.5 outlines the duties of the CAISO and affected Participating TO when the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid. The interconnection customer will be eligible for repayment of amounts advanced for Network Upgrades consistent with Section 14.3.2.1, for Interconnection Customers in Queue Cluster 6 and later.

14.5.2 Response to Notifications

When the CAISO receives notification that an Affected System Interconnection Customer's proposed interconnection to its host transmission provider may impact the CAISO Controlled Grid, the CAISO must respond in writing within twenty (20) Business Days whether the Participating TO intends to conduct an Affected System Study.

By fifteen (15) Business Days after the CAISO responds with its affirmative intent to conduct an Affected System Study, the Participating TO will share with Affected System Interconnection Customer(s) and the Affected System Interconnection Customer's host transmission provider a non-binding good faith estimate of the cost and the schedule to complete the Affected System Study.

Within five (5) Business Days of receipt of notification of Cluster Restudy, the Participating TO will send written notification to Affected System Interconnection Customer(s) involved in the Cluster Restudy and the host transmission provider that the Participating TO intends to delay a planned or in-progress Affected System Study until after completion of the Cluster Restudy. If the Participating TO decides to delay the Affected System Study, it is not required to meet its obligations under Section 14 of this RIS until the time that it receives notification from the host transmission provider that the Cluster Restudy is complete. If the Participating TO decides to move forward with its Affected System Study despite the Cluster Restudy, then it must meet all requirements under Section 14.5 of this RIS.

14.5.3 Affected System Queue Position

The CAISO must assign an Affected System Queue Position to Affected System Interconnection Customer(s) that require(s) an Affected System Study. Such Affected System Queue Position will be assigned based upon the date of execution of the Affected System Study Agreement. Relative to the CAISO's Interconnection Customers, this Affected System Queue Position will be higher-queued than any Cluster that has not yet received its Cluster Study Report and will be lower-queued than any Cluster that has

already received its Cluster Study Report. Consistent with Section 14.5.7 of this RIS, the CAISO and Participating TO(s) will study the Affected System Interconnection Customer(s) via Clustering, and all Affected System Interconnection Customers studied in the same Cluster under Section 14.5.7 of this RIS will be equally queued. For Affected System Interconnection Customers that are equally queued, the Affected System Queue Position will have no bearing on the assignment of Affected System Network Upgrades identified in the applicable Affected System Study. The costs of the Affected System Network Upgrades will be allocated among the Affected System Interconnection Customers in accordance with Section 14.5.9 of this RIS.

14.5.4 Affected System Study Agreement/Multiparty Affected System Study Agreement

Unless otherwise agreed, the Participating TO will provide to Affected System Interconnection Customer(s) an Affected System Study Agreement/Multiparty Affected System Study Agreement, in the form of Appendix 11 or Appendix 12 to this RIS, as applicable, within ten (10) Business Days of the Participating TO sharing the schedule for the Affected System Study per Section 14.5.2 of this RIS.

Upon Affected System Interconnection Customer(s)' receipt of the Affected System Study Report, Affected System Interconnection Customer(s) will compensate the Participating TO for the actual cost of the Affected System Study. Any difference between the study deposit and the actual cost of the Affected System Study will be paid by or refunded to the Affected System Interconnection Customer(s). Any invoices for the Affected System Study will include a detailed and itemized accounting of the cost of the study. Affected System Interconnection Customer(s) will pay any excess costs beyond the already-paid Affected System Study deposit or be reimbursed for any costs collected over the actual cost of the Affected System Study within thirty (30) calendar days of receipt of an invoice thereof. If Affected System Interconnection Customer(s) fail to pay such undisputed costs within the time allotted, it will lose its Affected System Queue Position. The Participating TO will notify the CAISO and the Affected System Interconnection Customer's host transmission provider of such failure to pay.

14.5.5 Execution of Affected System Study Agreement/Multiparty Affected System Study Agreement

The Affected System Interconnection Customer(s) will execute the Affected System Study Agreement/Multiparty Affected System Study Agreement, deliver the executed Affected System Study Agreement/Multiparty Affected System Study Agreement to the Participating TO, and provide the Affected System Study deposit within ten (10) Business Days of receipt. If the Participating TO notifies Affected System Interconnection Customer(s) that it will delay the Affected System Study pursuant to Section 14.5.2 of this RIS, Affected System Interconnection Customer(s) are neither required to execute and return the previously tendered Affected System Study/Multiparty Affected System Study Agreement nor provide the Affected System Study deposit for the previously tendered Affected System Study/Multiparty Affected System Study Agreement.

If the Affected System Interconnection Customer does not provide all required technical data when it delivers the Affected System Study Agreement/Multiparty Affected System Study Agreement, the Participating TO will notify the deficient Affected System Interconnection Customer, the CAISO, and the host transmission provider with which Affected System Interconnection Customer seeks to interconnect, of the technical data deficiency within five (5) Business Days of the receipt of the executed Affected System Study Agreement/Multiparty Affected System Study Agreement and the deficient Affected System Interconnection Customer will cure the technical deficiency within ten (10) Business Days of receipt of the notice; provided, however, that such deficiency does not include failure to deliver the executed Affected System Study Agreement/Multiparty

Affected System Study Agreement or deposit for the Affected System Study Agreement/Multiparty Affected System Study Agreement. If Affected System Interconnection Customer does not cure the technical data deficiency within the cure period or fails to execute the Affected System Study Agreement/Multiparty Affected System Study Agreement or provide the deposit, the Affected System Interconnection Customer will lose its Affected System Queue Position.

14.5.6 Scope of Affected System Study

The Affected System Study will evaluate the impact that any Affected System Interconnection Customer's proposed interconnection to another transmission provider's transmission system will have on the reliability of the CAISO Controlled Grid. The Affected System Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) below, any identified Affected System Network Upgrades associated with such higher-queued Interconnection Request) that, on the date the Affected System Study is commenced: (i) are directly interconnected to the CAISO Controlled Grid; (ii) are directly interconnected to another transmission provider's transmission system and may have an impact on Affected System Interconnection Customer's interconnection request; (iii) have a pending higher-queued Interconnection Request to interconnect to the CAISO Controlled Grid; and (iv) have no queue position but have executed a GIA or requested that an unexecuted GIA be filed with FERC. The CAISO and Participating TO have no obligation to study impacts of Affected System Interconnection Customers of which they are not notified.

The Affected System Study will consist of a power flow, stability, and short circuit analysis. The Affected System Study Report will: state the assumptions upon which it is based; state the results of the analyses; and provide the potential impediments to Affected System Interconnection Customer's receipt of interconnection service on its host transmission provider's transmission system, 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. For purposes of determining necessary Affected System Network Upgrades, the Affected System Study will consider the level of interconnection service requested in megawatts by Affected System Interconnection Customer, unless otherwise required to study the full generating facility capacity due to safety or reliability concerns. The Affected System Study Report will provide a list of facilities that are required as a result of Affected System Interconnection Customer's proposed interconnection to another transmission provider's system, a non-binding good faith estimate of cost responsibility, and a non-binding good faith estimated time to construct. The Affected System Study may consist of a system impact study, a facilities study, or some combination thereof.

14.5.7 Affected System Study Procedures

The CAISO and Participating TOs will use Clustering in conducting the Affected System Study and will use existing studies to the extent practicable, when multiple Affected System Interconnection Customers that are part of a single Cluster may cause the need for Affected System Network Upgrades. The Participating TO will complete the Affected System Study and provide the Affected System Study Report to Affected System Interconnection Customer(s), the CAISO, and the host transmission provider with whom interconnection has been requested within one hundred fifty (150) calendar days after the receipt of the Affected System Study Agreement and deposit.

At the request of Affected System Interconnection Customer, the Participating TO will notify Affected System Interconnection Customer as to the status of the Affected System Study. If the Participating TO is unable to complete the Affected System Study within the requisite time period, it will notify Affected System Interconnection Customer(s), as well

as the transmission provider with which Affected System Interconnection Customer seeks to interconnect, and will provide an estimated completion date with an explanation of the reasons why additional time is required. If the Participating TO does not meet the deadlines in this Section, the Participating TO will be subject to the financial penalties as described in Section 3.11 of this RIS. Upon request, the Participating TO will provide Affected System Interconnection Customer(s) with all supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Affected System Study, subject to confidentiality arrangements consistent with Section 15.1 of this RIS.

The Participating TO must study an Affected System Interconnection Customer as Energy Only, regardless of the level of interconnection service that the Affected System Interconnection Customer is seeking from the host transmission provider with whom it seeks to interconnect.

14.5.8 Meeting with the CAISO and Participating TO

Within ten (10) Business Days of providing the Affected System Study Report to Affected System Interconnection Customer(s), the Participating TO, the CAISO, and the Affected System Interconnection Customer(s) will meet to discuss the results of the Affected System Study.

14.5.9 Affected System Cost Allocation

The Participating TO will allocate Affected System Network Upgrade costs identified during the Affected System Study to Affected System Interconnection Customer(s) using a proportional impact method, consistent with Section 6.3.1 of this RIS.

14.5.10 Tender of Affected Systems Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement

The Participating TO will tender to Affected System Interconnection Customer(s) an Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, as applicable, in the form of Appendix 13 or 14 to this RIS, within thirty (30) calendar days of providing the Affected System Study Report. Within ten (10) Business Days of the receipt of the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, the Affected System Interconnection Customer(s) must execute the agreement or request the agreement to be filed unexecuted with FERC. The Participating TO will execute the agreement or file the agreement unexecuted within five (5) Business Days after receiving direction from Affected System Interconnection Customer(s). The Affected System Interconnection Customer's failure to execute the Affected System Facilities Construction Agreement/Multiparty Affected System Facilities Construction Agreement, or failure to request the agreement to be filed unexecuted with FERC, will result in the loss of its Affected System Queue Position.

14.5.11 Restudy

If restudy of the Affected System Study is required, the Participating TO will notify Affected System Interconnection Customer(s) and the CAISO in writing within thirty (30) calendar days of discovery of the need for restudy. Such restudy will take no longer than sixty (60) calendar days from the date of notice. Any cost of restudy will be borne by the Affected System Interconnection Customer(s) being restudied.

15.1 Confidentiality

For the purposes of this Section 15.1, "Party" or "Parties" shall mean the CAISO, Participating TO(s), Interconnection Customer or any combination of the CAISO, Participating TO(s) or the Interconnection Customer.

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 Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Section 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.

These confidentiality provisions are limited to information provided pursuant to this ~~GIDAPRIS~~.

15.1.1 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 Section 15.1.6 ~~of this RIS~~, 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 ~~GIDAPRIS~~. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

15.1.2. Release of Confidential Information

No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by FERC's Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. Part 358), or to Affected Systems, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section and has agreed to comply with such provisions.

Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section.

15.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

15.1.4 No Warranties

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

15.1.5 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 Parties under these procedures or its regulatory requirements.

15.1.6 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 any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties 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.

15.1.7 Remedies

Monetary damages are inadequate to compensate a Party for another Party's breach of its obligations under this Section 15.1. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this Section 15.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the breach of this Section 15.1, but shall be in addition to all other remedies available at law or in equity. Further, the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 15.1.

15.1.8 Disclosure to FERC, its Staff, or a State

Notwithstanding anything in this Section 15.1 to the contrary, and pursuant to 18 C.F.R. 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, 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 C.F.R. 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 Parties prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other applicable Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. 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.

15.1.9 Subject to the exception in Section 15.1.8, any Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this GIDAPRIS or as a transmission service provider or a Balancing Authority 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 Parties in writing of the information it claims is confidential. Prior to any disclosures of another 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.

15.1.10 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).

15.1.11 The Participating TO or CAISO shall, at the 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.

15.2 Delegation of Responsibility

The CAISO and the Participating TOs may use the services of subcontractors as deemed appropriate to perform their obligations under this GIDAPRIS. The applicable Participating TO or CAISO shall remain primarily liable to the Interconnection Customer for the performance of its respective subcontractors and compliance with its obligations of this GIDAPRIS. 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.

15.3 [Not Used]

15.4 [Not Used]

15.5 Disputes

If an Interconnection Customer disputes withdrawal of its Interconnection Request under Section 3.8, the CAISO will forward any information regarding the disputed withdrawal received under Section 3.8 within one (1) Business Day to the GIDAP Executive Dispute Committee, consisting of the Vice President responsible for administration of this GIDAPRIS, the CAISO Vice President

responsible for customer affairs, and an additional Vice President. The GIDAP Executive Dispute Committee shall have five (5) Business Days to determine whether or not to restore the Interconnection Request. If the GIDAP Executive Dispute Committee concludes that the Interconnection Request should have been withdrawn, the Interconnection Customer may seek relief in accordance with the CAISO ADR Procedures.

All disputes, other than those arising from Section 3.8, arising out of or in connection with this GIDAPRIS whereby relief is sought by or from the CAISO shall be settled in accordance with the CAISO ADR Procedures.

Disputes arising out of or in connection with this GIDAPRIS not subject to the CAISO ADR Procedures shall be resolved as follows:

15.5.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the GIA, the GIDAPRIS, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the GIA and GIDAPRIS.

15.5.2 External Arbitration Procedures

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 15.5, the terms of this Section 15.5 shall prevail.

15.5.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the GIA and shall have no power to modify or change any provision of the GIA and in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the

grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

15.5.4 Costs

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

15.5.5 Non-binding Alternative Dispute Resolution

If a Party has submitted a Notice of Dispute pursuant to Section 15.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) calendar days provided in that section, and the Parties cannot reach mutual agreement to pursue the Section 15.5 arbitration process, a Party may request that the CAISO engage in non-binding Alternative Dispute Resolution pursuant to this section by providing written notice to the CAISO. Conversely, either Party may file a request for non-binding Alternative Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the Section 15.5 arbitration process. The process in this Section 15.5.5 shall serve as an alternative to, and not a replacement of, the Section 15.5 arbitration process. Pursuant to this process, the CAISO must within thirty (30) calendar days of receipt of the request for non-binding Alternative Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) calendar days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the [GIDAPRIS](#) and GIA and shall have no power to modify or change any provision of the [GIDAPRIS](#) and GIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a Section 15.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

15.6 Local Furnishing Bonds

15.6.1 Participating TOs that Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to a Participating TO that has financed facilities for the local furnishing of electric energy with Local Furnishing Bonds. Notwithstanding any other provisions of this , the Participating TO and the CAISO shall not be required to provide Interconnection Service to the Interconnection Customer pursuant to this and the GIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO.

15.6.2 Alternative Procedures for Requesting Interconnection Service

If a Participating TO determines that the provision of Interconnection Service requested by the Interconnection Customer would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO, it shall advise the Interconnection Customer and the CAISO within (30) calendar days of receipt of the

Interconnection Request.

The Interconnection Customer thereafter may renew its request for the same interconnection Service by tendering an application under Section 211 of the Federal Power Act, in which case the Participating TO, within ten (10) calendar days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, and the CAISO and Participating TO shall provide the requested Interconnection Service pursuant to the terms and conditions set forth in this and the GIA.

15.7 Change in CAISO Operational Control

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection 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 deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the Participating TO has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has neither executed the GIA nor requested the filing of an unexecuted GIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

~~Section 16. Cluster 14 Unique Procedures~~

~~The CAISO tariff and the GIDAP will apply to Queue Cluster 14 with the following exceptions:~~

~~16.1 Study Procedures and Timelines~~

- ~~a) The CAISO will validate Cluster 14 Interconnection Requests by September 26, 2021. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 14.~~
- ~~b) GIDAP provisions stating when the CAISO and Participating TOs must initiate Interconnection Studies will not apply.~~
- ~~c) The CAISO will publish Phase I Interconnection Studies no later than September 15, 2022. The Phase I Interconnection Study will not include system-level stability analyses.~~
- ~~d) Interconnection Customers may submit, in writing, additional comments on the final Phase I Interconnection Study report up to (5) Business Days following the Results Meeting. Based on any discussion at the Results Meeting and any comments received, the CAISO (in consultation with the applicable Participating TO(s)) will determine, in accordance with Section 6.8, whether it is necessary to follow the final Phase I Interconnection Study report with a revised study report or an addendum. The CAISO will issue any such revised report or addendum to the Interconnection Customer no later than thirty (30) calendar days following the Results Meeting.~~

- e) ~~No later than January 13, 2023, Interconnection Customers must (1) submit an updated, valid dynamic model to the CAISO, (2) post their initial Interconnection Financial Security, and (3) have submitted an Appendix B that is deemed valid.~~
- f) ~~The CAISO will publish Phase II Interconnection Studies no later than January 31, 2024.~~
- g) ~~Phase I and Phase II Interconnection Study Results meetings will occur with ninety (90) days of publication.~~
- h) ~~The CAISO will publish the results of the TP Deliverability allocation process no later than May 31, 2024.~~
- i) ~~Interconnection Customers must post their second Interconnection Financial Security no later than July 1, 2024.~~
- j) ~~Unless the CAISO issues a Market Notice stating otherwise, the CAISO will not open the Queue Cluster 15 Cluster Application Window in 2022. The CAISO will open the Queue Cluster 15 Cluster Application Window in 2023 pursuant to Section 3.3.~~
- k) ~~Deadlines related to Interconnection Customers that elect to park their Interconnection Requests will be extended consistent with this Section, including for Interconnection Financial Security postings.~~
- l) ~~If an Interconnection Customer withdraws after posting its initial Interconnection Financial Security but before demonstrating Site Exclusivity, its Site Exclusivity Deposit will not be refunded, and will be processed with non-refundable funds described in Section 7.6.~~
- m) ~~On or before their initial Interconnection Financial Security posting, Interconnection Customers proposing to use third-party Interconnection Facilities must provide documentation to the CAISO demonstrating they are negotiating or have secured rights on those Interconnection Facilities. On or before their second Interconnection Financial Security posting, such Interconnection Customers must provide documentation to the CAISO demonstrating they have secured rights on those Interconnection Facilities through their Commercial Operation Date.~~

~~The CAISO and Participating TOs will use Reasonable Efforts to meet all deadlines in the GIDAP and this Section 16, and may publish study results early or otherwise accelerate the interconnection process where possible. The CAISO will publish Interconnection Studies simultaneously for all the Participating TOs.~~

16.2 — Cost Responsibility and Interconnection Financial Security

- a) ~~Maximum Cost Responsibility and Maximum Cost Exposure in the Phase I Interconnection Study will be advisory only. Only the Phase II Interconnection Study will set Interconnection Customers' binding Maximum Cost Responsibility and Maximum Cost Exposure.~~
- b) ~~Interconnection Customers will receive a complete refund of their initial Interconnection Financial Security posting if they withdraw before their second Interconnection Financial Security posting is due where: (1) their Maximum Cost Responsibility increases by twenty-five (25) percent or more between Phase I and Phase II; or (2) the anticipated completion of their longest lead-time Reliability Network Upgrade extends by one year or more between Phase I and Phase II.~~

Section 17. — Cluster 15 Unique Procedures

~~Notwithstanding Section 3.3.1, the CAISO will not open a Cluster Application Window in 2024. The CAISO Tariff and the GIDAP will apply to Queue Cluster 15 with the following exceptions:~~

17.1 ~~Study Procedures and Timelines~~

- ~~a) Consistent with the process set forth in Section 3.5.2, the CAISO will validate Cluster 15 Interconnection Requests by September 26, 2024. Interconnection Requests with deficiencies after that date will be deemed invalid and will not be included in Cluster 15.~~
- ~~b) Between May 1, 2024 and September 26, 2024, Interconnection Customers may modify their Interconnection Requests (a) as permissible under Section 6.7.2.2(a) — (h); (b) to change generating technology or fuel; and (c) to add or increase energy storage capacity. The CAISO will not accept any modification under this Section 17.1(b) that would result in increasing the Interconnection Service Capacity requested. Interconnection Customers modifying their Interconnection Requests must submit updated information required under Section 3.5 to reflect the modification. The CAISO will assess any costs for processing the modification to the Interconnection Customer's Interconnection Study Deposit. Modifications effected pursuant to this provision will not affect Interconnection Customers' rights to modify their Interconnection Requests after September 26, 2024 under the GIDAP.~~
- ~~c) An Interconnection Customers that withdraws its Interconnection Request prior to April 1, 2024 will receive a refund of its Interconnection Study Deposit, including any interest earned, minus any costs expended under the GIDAP on the Interconnection Customer's behalf. If an Interconnection Customer submitted a Site Exclusivity Deposit, it will receive a complete refund of its Site Exclusivity Deposit, including any interest earned. Withdrawals effected pursuant to this provision will not affect Interconnection Customers' rights to withdraw after April 1, 2024, and receive any corresponding refund and interest under the GIDAP, including without limitation Section 3.5.1.1.~~
- ~~d) Except as provided herein, all Interconnection Requests in Cluster 15 will not progress or be subject to post-validation requirements until they are validated. GIDAP provisions stating when the CAISO and Participating TOs must initiate and publish Interconnection Studies will not apply. All deadlines, rights, and responsibilities under the GIDAP contingent on the publication of Interconnection Studies will not apply.~~
- ~~e) The CAISO will not accept Independent Study Process Interconnection Requests pursuant to Section 4 until Cluster 15 has received its Phase I Interconnection Study results.~~
- ~~f) The CAISO will include Cluster 15 Interconnection Requests in its reporting data under Section 3.6.~~

**Appendix 1 Interconnection Request
INTERCONNECTION REQUEST**

Provide one copy of this completed form pursuant to Section 7 of this Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Generating Facility with the CAISO Controlled Grid pursuant to the CAISO Tariff (check one):
 Fast Track Process.
 ~~Independent Study Process.~~
 Queue Cluster process.
 Annual Deliverability Assessment pursuant to Section 9.
2. This Interconnection Request is for (check one):
 A proposed new Generating Facility.
 An increase in the generating capacity or a Material Modification to an existing Generating Facility.

3. Requested Deliverability Statuses are (check one):

On-Peak (for purposes of Net Qualifying Capacity):

- ~~Full Capacity (For Independent Study Process and Queue Cluster Process only)
(Note – Deliverability analysis for Independent Study Process is conducted with the next annual Cluster Study)~~
- Partial Deliverability for ___ MW of electrical output ~~(For Independent Study Process and Queue Cluster Process only)~~
- Energy Only

~~Off-Peak:-~~

~~Off-Peak Deliverable~~

~~Off-Peak Energy Only~~

4. The Interconnection Customer provides the following information:

- a. Address or location, including the county, of the proposed new Generating Facility site or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name: _____

Project Location:

Street Address: _____

City, State: _____

County: _____

Zip Code: _____

GPS Coordinates: _____

- b. Maximum net megawatt electrical output (as defined by section 2.c of Attachment A to this appendix) of the proposed new Generating Facility or the amount of net megawatt increase in the generating capacity of an existing Generating Facility;

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

- c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration (if more than one type is chosen include nameplate MW for each);

<u>Technology</u>	<u>Nameplate</u>
___ Cogeneration	___ (MW)
___ Reciprocating Engine	___ (MW)
___ Biomass	___ (MW)
___ Steam Turbine	___ (MW)
___ Gas Turbine	___ (MW)
___ Wind	___ (MW)
___ Hydro	___ (MW)
___ Photovoltaic	___ (MW)
___ Combined Cycle	___ (MW)

___ Other (please describe):

General description of the equipment configuration (e.g. number, size, type, etc):

- d. Proposed In-Service Date (first date transmission is needed to the facility), Trial Operation date and Commercial Operation Date by month, day, and year and term of service (dates must be sequential); _____

Proposed Trial Operation Date: _____

Proposed Commercial Operation Date: _____

Proposed Term of Service (years): _____

- e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person (primary person who will be contacted);

Name: _____

Title: _____

Company Name: _____

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

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

- g. Interconnection Customer data (set forth in Attachment A)

The Interconnection Customer shall provide to the CAISO the technical data called for in Attachment A to this Interconnection Request. One (1) copy is required.

- h. Requested Interconnection Service Capacity (in MW) (if lower than the Generating Facility Capacity; may not exceed Generating Facility Capacity);

5. Applicable deposit amount made payable to California ISO. Send check to CAISO (see section 7 below for details) along with the:
- a. Interconnection Request for processing.
 - b. Attachment A (Interconnection Request Generating Facility Data).

~~6. Evidence of Site Exclusivity as specified in the GIDAP and name(s), address(es) and contact information of site owner(s) (check one):~~

~~_____ Is attached to this Interconnection Request~~

~~_____ Deposit in lieu of Site Exclusivity attached, Site Exclusivity will be provided at a later date in accordance with this GIDAP~~

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

California ISO
Attn: Grid Assets
P.O. Box 639014
Folsom, CA 95763-9014

Overnight address:
California ISO
Attn: Grid Assets
250 Outcropping Way
Folsom, CA 95630

78. Representative of the Interconnection Customer to contact:

[To be completed by the Interconnection Customer]

Name: _____

Title: _____

Company Name: _____

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

89. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Interconnection Request
Attachment A Generating Facility Data

GENERATING FACILITY DATA

Provide one copy of this completed form.

1. **Provide one set of original prints (no larger than 11" x 17") or soft copy on cd/flashdrive of the following:**

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

2. **Generating Facility Information**

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

3. **Synchronous Generator – General Information:**
(Please repeat the following for each generator model)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. Please attach a plot of generator terminal voltage versus field current that shows the air

gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

4. Excitation System Information

(Please repeat the following for each generator model)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 9 below or describe the specific excitation system.
 - (1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
 - (2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
 - (3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
 - (4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
 - (5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
 - (6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
 - (7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
 - (8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).
 - (9) Other (specify): _____
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system?

5. Power System Stabilizer Information

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

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

6. Turbine-Governor Information

(Please repeat the following for each generator model)

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

A. Steam, gas or combined-cycle turbines:

- (1) List type of unit (Steam, Gas, or Combined-cycle): _____
- (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
- (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
Low pressure turbine or gas turbine: _____%
High pressure turbine or steam turbine: _____%

B. Hydro turbines:

- (1) Turbine efficiency at rated load: _____%
- (2) Length of penstock: _____ft
- (3) Average cross-sectional area of the penstock: _____ft²
- (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ft
- (5) Is the water supply run-of-the-river or reservoir: _____
- (6) Water flow rate at the typical maximum head: _____ft³/sec
- (7) Average energy rate: _____kW-hrs/acre-ft
- (8) Estimated yearly energy production: _____kW-hrs

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

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

 - (c) Other comments regarding the turbine governor system?

7. Induction Generator Data:

- A. Rated Generator Power Factor at rated load: _____
- B. Moment of Inertia (including prime mover): _____
- C. Do you wish reclose blocking? Yes ____, No ____
Note: Sufficient capacitance may be on the line now, or in the future, and the generator may self-excite unexpectedly.

7a Wind Generators

Number of generators to be interconnected pursuant to this Interconnection Request: _____
Average Site Elevation: _____ Single Phase _____ Three Phase _____

Field Volts: _____
 Field Amperes: _____
 Motoring Power (MW): _____
 Neutral Grounding Resistor (If Applicable): _____
 I22t or K (Heating Time Constant): _____
 Rotor Resistance: _____
 Stator Resistance: _____
 Stator Reactance: _____
 Rotor Reactance: _____
 Magnetizing Reactance: _____
 Short Circuit Reactance: _____
 Exciting Current: _____
 Temperature Rise: _____
 Frame Size: _____
 Design Letter: _____
 Reactive Power Required In Vars (No Load): _____
 Reactive Power Required In Vars (Full Load): _____
 Total Rotating Inertia, H: _____ Per Unit on 100 MVA Base

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

8. Generator Short Circuit Data

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

- X"1 – positive sequence subtransient reactance: _____ p.u.**
- X2 – negative sequence reactance: _____ p.u.**
- X0 – zero sequence reactance: _____

Generator Grounding (select 1 for each model):

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

9. Step-Up Transformer Data

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

10. Interconnection Facilities Line Data

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

Nominal Voltage: _____ kV
 Line Length: _____ miles
 Line termination Points: _____
 Conductor Type: _____ Size: _____
 If bundled. Number per phase: _____, Bundle spacing: _____ in.

Phase Configuration. Vertical: _____, Horizontal: _____
 Phase Spacing: A-B: _____ ft., B-C: _____ ft., C-A: _____ ft.
 Distance of lowest conductor to Ground at full load and 40 C: _____ ° ft
 Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
 Attach Tower Configuration Diagram
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R): _____ p.u.** (for entire line length)
 Positive Sequence Reactance: (X): _____ p.u.** (for entire line length)
 Zero Sequence Resistance (R0): _____ p.u.** (for entire line length)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length)
 Line Charging (B/2): _____ p.u.**
 ** On 100-MVA and nominal line voltage (kV) Base

10a. For Wind/photovoltaic plants, provide collector System Equivalence Impedance Data Provide values for each equivalence collector circuit at all voltage levels.

Nominal Voltage: _____
 Summer line ratings in amperes (normal and emergency) _____
 Positive Sequence Resistance (R1): _____ p.u. ** (for entire line length of each collector circuit)
 Positive Sequence Reactance: (X1): _____ p.u.** (for entire line length of each collector circuit)
 Zero Sequence Resistance (R0): _____ p.u. ** (for entire line length of each collector circuit)
 Zero Sequence Reactance: (X0): _____ p.u.** (for entire line length of each collector circuit)
 Line Charging (B/2): _____ p.u.** (for entire line length of each collector circuit)
 ** On 100-MVA and nominal line voltage (kV) Base

11. Inverter-Based Machines

Number of inverters to be interconnected pursuant to this Interconnection Request: _____

Inverter manufacturer, model name, number, and version:

List of adjustable set points for the protective equipment or software:

Max design fault contribution current:

Harmonics Characteristics:

Start-up requirements:

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

12. Load Flow and Dynamic Models:

Provide load flow model for the generating plant and its interconnection facilities in GE PSLF *.epc format, including new buses, generators, transformers, interconnection facilities. An equivalent model is required for the plant with generation collector systems. This data should reflect the technical data provided in this Attachment A.

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model

from the General Electric PSLF Program Manual and provide the required input data. **For inverter based generating facilities, select the appropriate generator and control models from the General Electric PSLF Program Manual and provide the required input data. Provide a completed *.dyd file that contains the information specified in this section. One copy of this data should be provided on DVD, CD, or USB flash drive media.**

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

13. MODELS FOR NON-SYNCHRONOUS GENERATORS

For a non-synchronous Generating Facility, the Interconnection Customer will provide (1) a validated user-defined root mean squared (RMS) positive sequence dynamics model; and (2) an appropriately parameterized generic library RMS positive sequence dynamics model, including model block diagram of the inverter control and plant control systems, as defined by the selection in Table 1 or a model otherwise approved by the Western Electricity Coordinating Council, that corresponds to Interconnection Customer's Generating Facility: A user-defined model is a set of programming code created by equipment manufacturers or developers that captures the latest features of controllers that are mainly software based and represents the entities' control strategies but does not necessarily correspond to any generic library model. The Interconnection Customer must also demonstrate that the model is validated by providing evidence that the equipment behavior is consistent with the model behavior (e.g., an attestation from the Interconnection Customer that the model accurately represents the entire Generating Facility; attestations from each equipment manufacturer that the user defined model accurately represents the component of the Generating Facility; or test data).

Table 1: Acceptable Generic Library RMS Positive Sequence Dynamics Models

<u>GE PSLF</u>	<u>Description</u>
<u>pvd1</u>	<u>Distributed PV system model</u>
<u>der_a</u>	<u>Distributed energy resource model</u>
<u>regc_a</u>	<u>Generator/converter model</u>
<u>regc_b</u>	<u>Generator/converter model</u>
<u>wt1g</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt2g</u>	<u>Generator model for generic Type-2 wind turbines</u>
<u>wt2e</u>	<u>Rotor resistance control model for wound-rotor induction wind-turbine generator wt2g</u>
<u>reec_a</u>	<u>Renewable energy electrical control model</u>
<u>reec_c</u>	<u>Electrical control model for battery energy storage system</u>
<u>reec_d</u>	<u>Renewable energy electrical control model</u>
<u>wt1t</u>	<u>Wind turbine model for Type-1 wind turbines (conventional directly connected induction generator)</u>
<u>wt1p_b</u>	<u>Generic wind turbine pitch controller for WTGs of Types 1 and 2</u>

<u>GE PSLF</u>	<u>Description</u>
<u>wt2t</u>	<u>Wind turbine model for Type-2 wind turbines (directly connected induction generator wind turbines with an external rotor resistance)</u>
<u>wtqt_a</u>	<u>Wind turbine drive train model</u>
<u>wtga_a</u>	<u>Simple aerodynamic model</u>
<u>wtgp_a</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtgg_a</u>	<u>Wind Turbine Generator Torque controller</u>
<u>wtqwo_a</u>	<u>Supplementary control model for Weak Grids</u>
<u>wtgibfr_a</u>	<u>Inertial-base fast frequency response control</u>
<u>wtgp_b</u>	<u>Wind Turbine Generator Pitch controller</u>
<u>wtqt_b</u>	<u>Drive train model</u>
<u>repc_a</u>	<u>Power Plant Controller</u>

14. Operating Assumptions

If applicable, include (1) the requested operating assumptions (i.e., whether the interconnecting Generating Facility will or will not charge at peak load) to be used by the CAISO and Participating TO that reflect the proposed charging behavior of a Generating Facility that includes at least one electric storage resource, and (2) a description of any control technologies (software and/or hardware) that will limit the operation of the Generating Facility to its intended operation.

TABLE 1

TRANSFORMER DATA
(Provide for each level of transformation)

UNIT _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATING	H Winding	X Winding	Y Winding
Rated MVA	_____	_____	_____
Connection (Delta, Wye, Gnd.)	_____	_____	_____
Cooling Type (OA, OA/FA, etc) :	_____	_____	_____
Temperature Rise Rating	_____	_____	_____
Rated Voltage	_____	_____	_____
BIL	_____	_____	_____
Available Taps (% of rating)	_____	_____	_____
Load Tap Changer? (Y or N)	_____	_____	_____
Tap Settings	_____	_____	_____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

Percent exciting current at 100 % Voltage; _____ 110% Voltage _____

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

Appendix 2

[Intentionally Omitted]

Appendix 3

~~GENERATOR INTERCONNECTION CLUSTER~~ STUDY PROCESS AGREEMENT FOR QUEUE CLUSTERS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the 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 the Interconnection Customer dated _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the CAISO Controlled Grid pursuant to Appendix ~~DD-KK~~ to the CAISO Tariff; and

WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the CAISO Controlled Grid;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the CAISO's FERC-approved ~~Generation Interconnection and Deliverability Allocation Procedures~~ Resource Interconnection Standards in CAISO Tariff Appendix ~~DD-KK~~ "GIDAPRIS" or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies, including any accelerated Interconnection Study, in accordance with the CAISO Tariff.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.
- 4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified under the CAISO Tariff. The CAISO reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies.
- 5.0 [NOT USED]
- 6.0 Consistent with the GIDAPRIS and CAISO Tariff, the Interconnection Customer will provide deposits and pay its share of actual costs of applicable studies, including in excess of provided deposits. The CAISO and Participating TO will provide invoices and refunds on a timely basis required by the GIDAPRIS and the CAISO Tariff.

Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Section 3.5.1 of the [GIDAPRIS](#).

Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the [GIDAPRIS](#).

- 7.0 Pursuant to Section 3.7 of the [GIDAPRIS](#), the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of the Interconnection Studies or other assessments to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 8.0 Substantial portions of technical data and assumptions used to perform the [Phase I Interconnection Cluster](#) Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the [Phase I Interconnection Cluster](#) Study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, 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.
- 9.0 [NOT USED]
- 10.0 The CAISO and Participating TO(s) shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.
- 11.0 In accordance with Section 3.8 of the [GIDAPRIS](#), the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.5.1 and 11.4 of the [GIDAPRIS](#).
- 12.0 This Agreement shall become effective on the date the CAISO notifies the Interconnection Customer that the Interconnection Request is complete pursuant to Section 3.5.1 of the [GIDAPRIS](#).
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 15.5 of the [GIDAPRIS](#).
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 15.1

of the GIDAPRIS.

- 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 GIDAPRIS or such Appendix to the GIDAPRIS, 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, 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 Participating TO or CAISO. Any waiver of this Agreement shall, if requested, be provided in writing.

Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 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 **[Not Used]**
- 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 CAISO 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 Party has caused this Agreement to be duly executed by its duly authorized officers or agents on the day and year first above written.

[Insert name of the Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Appendix A

[NOT USED]

Appendix B

INTERCONNECTION FACILITIES STUDY AGREEMENT AND DATA FORM TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER PRIOR TO COMMENCEMENT OF THE ~~PHASE II~~ INTERCONNECTION FACILITIES STUDY

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ organized and existing under the laws of the State of California _____, ("the CAISO "). Interconnection Customer and the CAISO 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 Transmission System; and

WHEREAS, the CAISO and Participating TO have completed a Cluster Study (the "Cluster Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested the CAISO and Participating TO to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Cluster Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the Transmission System.

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

1.0 When used in this Agreement, with initial capitalization, the terms specified will have the meanings indicated in the CAISO's FERC-approved RIS.

2.0 Interconnection Customer elects and the CAISO and Participating TO will cause an Interconnection Facilities Study consistent with Section 8.0 of this RIS to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study will be subject to the assumptions set forth in and the data provided with this Agreement, as set forth in this Appendix B.

4.0 The Interconnection Facilities Study Report (i) will provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) will address the short circuit, instability, and power flow issues identified in the Cluster Study.

5.0 Interconnection Customer will provide a Commercial Readiness Deposit per Section 8.1 of this RIS to enter the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in the data form attached to this agreement.

6.0 Miscellaneous. The Interconnection Facilities Study Agreement will include standard

miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS and the GIA.

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

CAISO _____

By: _____

Title: _____

Date: _____

Interconnection Customer

By: _____

Title: _____

Date: _____

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

Generating Facility size (MW): _____

Provide two copies of this completed form and other required plans and diagrams in accordance with Section 8.1 of the GIDAPRIS.

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

One set of metering is required for each generation connection to the new bus or existing CAISO Controlled Grid station. Number of generation connections: _____

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

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

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

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

What type of control system or PLC will be located at the 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 the Participating TO'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 the Participating TO or CAISO.

Is the Generating Facility in the Participating TO's service area?

Yes No

Local service provider for auxiliary and other power: _____

Point of Interconnection: _____

Please provide proposed schedule dates:

Environmental survey start: _____

Environmental impact report submittal: _____

Procurement of project equipment: _____

Begin Construction Date: _____

In-Service Date: _____

r

Trial Operation Date: _____

Commercial Operation Date: _____

Level of Deliverability: Choose one of the following:

_____ Energy Only

_____ Full 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.

The CAISO and Participating TO will complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study Report to the Interconnection Customer within one hundred twenty (120) days after receipt of an executed copy of this Interconnection Facilities Study Agreement.

Please provide any additional modification request pursuant to Section 6.7.2.2 of Appendix **DDKK**:

Appendix 4

AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS

This Agreement for the Allocation of Responsibilities With Regard to Generator Interconnection Procedures and Interconnection Study Agreements ("Agreement"), dated _____, is entered into between the California Independent System Operator Corporation ("CAISO") and [NAME OF PTO] _____ ("PTO"). The CAISO and PTO are jointly referred to as the "Parties" and individually, as a "Party."

WHEREAS, this Agreement will ensure an independent assessment of new Generating Facility impacts on the CAISO Controlled Grid and take advantage of the respective expertise of the Parties to facilitate efficient and cost effective Interconnection Study procedures in a manner consistent with the Federal Energy Regulatory Commission's ("FERC") July 1, 2005 Order (112 FERC ¶ 61,009), FERC's August 26, 2005 Order (112 FERC ¶ 61,231), and prior FERC Orders recognizing that Order No. 2003 did not allocate responsibilities between transmission owners and transmission providers for the provision of Interconnection Service and suggesting those parties enter into an agreement to allocate those responsibilities. Southwest Power Pool, Inc., 106 FERC ¶ 61,254 (2004).

NOW THEREFORE, in view of the respective responsibilities assigned to the Parties and the foregoing FERC orders, and the provisions of the CAISO's Generator Interconnection Procedures set forth in CAISO Tariff Appendix ~~DDKK~~, the CAISO and PTO agree to the following allocation of responsibilities for a centralized Interconnection Study process under the direction and oversight of the CAISO:

1. DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the CAISO Tariff.

2. TERM OF AGREEMENT

This Agreement shall become effective upon the date specified in the first paragraph above and shall remain in effect until (1) terminated by all Parties in writing, or (2) with respect to the PTO, upon the termination of that entity's status as a PTO pursuant to the Transmission Control Agreement, as amended from time to time.

3. PROVISIONS FOR ALLOCATION OF RESPONSIBILITIES BETWEEN CAISO AND PTO

3.1 Interconnection Service: The Parties acknowledge that, as the transmission provider, the CAISO is responsible for reliably operating the transmission grid. The Parties also recognize that while the CAISO is a transmission provider under the CAISO Tariff, the CAISO does not own any transmission facilities, and the PTO owns, constructs, and maintains the facilities to which Generating Facilities are to be interconnected, and that the PTO may construct or modify facilities to allow the interconnection. While the Parties recognize that the CAISO will be responsible for conducting or causing to be performed Interconnection Studies and similar studies, the PTO will participate in these studies and conduct certain portions of studies, under the direction and oversight of, and approval by, the CAISO, as provided in this Agreement. The CAISO shall not enter into any Interconnection Study agreement with an Interconnection Customer that is contrary to these rights.

3.2 [INTENTIONALLY LEFT BLANK]

3.3 Transmission Owners' Right to Participation in Studies, Committees and Meetings:

3.3.1 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in any Interconnection Study or any other study conducted in connection with such request for Interconnection Service. "Participate" in this Section 3.3.1 means physically perform any study or portion thereof in connection with an Interconnection Request, under the direction and oversight of, and approval by, the CAISO pursuant to Section 3.4 of this Agreement; provide or receive input, data or other information regarding any study or portion thereof consistent with Section 3.4 of this Agreement; and, when any study or portion thereof in connection with an Interconnection Request is physically performed by an entity other than the PTO, perform activities necessary to adequately review or validate, as appropriate, any results of the study or portions thereof and provide recommendations.

3.3.2 In the event that an Interconnection Customer proposes to interconnect a Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in all meetings expressly established pursuant to the CAISO . As appropriate, the PTO may participate in all other material or substantive communications in connection with an Interconnection Request.

3.4 Interconnection Study Responsibility Allocation: In complying with its responsibility for conducting or causing to be performed Interconnection Studies, the CAISO will assign responsibility for performance of portions of the Interconnection Studies to the PTO, under the direction and oversight of, and approval by, the CAISO, as set forth in Attachment A, except as specifically qualified as follows:

3.4.1 For any tasks specifically assigned to the PTO pursuant to Attachment A or otherwise mutually agreed upon by the CAISO and the PTO, the CAISO reserves the right, on a case-by-case basis, to perform or reassign to a mutually agreed upon and pre-qualified contractor such task only where: (a) the quality and accuracy of prior PTO Interconnection Study work product resulting from assigned tasks has been deemed deficient by the CAISO, the CAISO has notified the PTO pursuant to the notice provision of Section 4.15 of this Agreement in writing of the deficiency, and the deficiency has not been cured pursuant to Section 3.4.2 of this Agreement; (b) the timeliness of PTO Interconnection Study work product has been deemed deficient, and either (i) the CAISO has not been notified of the reasons and actions taken to address the timeliness of the work, or (ii) if notified, the stated reasons and actions taken are insufficient or unjustifiable and the PTO has not cured the deficiency pursuant to Section 3.4.2 of this Agreement; (c) the PTO has failed, in a mutually agreed upon timeframe, to provide the CAISO with information or data related to an Interconnection Request despite a written request by the CAISO, pursuant to Section 3.5 hereof, to do so, and such data is the responsibility of the PTO to provide to the CAISO, subject to Section 4.3 of this Agreement; (d) the PTO advises the CAISO in writing that it does not have the resources to adequately or timely perform the task according to the applicable timelines set forth in Attachment A; or (e) the estimated cost of the PTO performing the task has been determined in writing by the CAISO to significantly exceed the cost of the CAISO or mutually agreed upon contractor performing the task, inclusive of the costs that will be incurred by the PTO in exercising its review rights of the results of any such tasks performed by such third party(ies). If the CAISO deviates from the assignments set forth in Attachment A based on the foregoing factors, the CAISO will provide the PTO with a written explanation for the deviation and any associated reassignments of work. The PTO may contest the deviation pursuant

to the Dispute Resolution procedures set forth in Section 4.1 of this Agreement.

Task(s) may only be reassigned in accordance with this Section 3.4.1 where the PTO has been deemed to be deficient in relation to that (those) particular task(s).

3.4.2 Cure for reassigned Interconnection Study work

The CAISO shall not reassign task(s) without the opportunity to cure, as specified in Section 3.4.1 of this Agreement. The following actions will serve to cure the deficiencies and result in restoring the assignment(s) as provided in Attachment A:

- (a) The CAISO and PTO shall negotiate in good faith and agree to a corrective action plan proposed by the PTO, including a reasonably adequate cure period, and the corrective action plan is satisfactorily implemented.
- (b) The CAISO determines the deficiency is cured without an action plan.

3.4.3 Assessment of prior PTO Interconnection Study work shall only be based on work conducted under the process that becomes effective concurrent with the effective date of this Agreement. Further, assessment of prior PTO Interconnection Study work shall be based on work conducted no earlier than the eighteen (18) month period prior to the date of the CAISO notice of deviation from assignments set forth in Attachment A to this Agreement.

3.5 Information Exchange: The PTO shall provide the CAISO, subject to confidentiality requirements in Section 4.3 of this Agreement, with any documentation or data requested by the CAISO reasonably necessary to permit the CAISO to perform, review, validate and approve any Interconnection Study, or portion thereof, performed by the PTO. The CAISO shall provide the PTO with any documentation or data requested by the PTO, subject to confidentiality requirements in Section 4.3 of this Agreement, reasonably necessary to perform, review, and validate any Interconnection Study, or portion thereof.

3.6 Consistency with Provisions for Centralized Interconnection Study Process: The CAISO and PTO have determined that the processes and allocation of responsibilities in Section 3.4 of this Agreement ensure that impacts to the CAISO Controlled Grid are independently assessed and that the assignment of responsibilities minimizes handoffs, takes advantage of non-transferable skills, and promotes the efficiency and cost-effectiveness of the centralized Interconnection Study processes, consistent with Section 3.2.

3.7 Re-Studies: If any re-studies are required, the CAISO will confer with the PTO as to the need for a re-study. The CAISO will make the final determination regarding the need for a re-study, subject to dispute resolution procedures.

3.8 Use of Contractors: Nothing in this Agreement shall prevent either the CAISO or the PTO from using qualified, mutually agreed upon third party contractors to meet that Party's rights or obligations under this Agreement or the . To promote the efficiency of the process, the CAISO and PTO will collaborate to identify a list of the mutually agreed to qualified contractors available to the Parties.

3.9 Performance Standards: Each Party shall perform all of its obligations under the GIDAPRIS, this Agreement, and any FERC approved Interconnection Study procedures that may be adopted by the CAISO to implement the GIDAPRIS or this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice.

3.10 Recovery of Costs: In accordance with Section 3.5.1 of the GIDAPRIS, the PTO shall recover all actual costs from the CAISO incurred in performing Interconnection Studies or portions thereof assigned to it by the CAISO, including all costs incurred in exercising its right to review, and make recommendations on, Interconnection Studies or portions thereof performed by the CAISO and/or contractors under Section 3.8 of this Agreement.

4 GENERAL TERMS AND CONDITIONS

4.1 Dispute Resolution: In the event any dispute regarding the terms, conditions, and performance of this Agreement is not settled informally, the Parties shall follow the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff.

4.2 Liability: No Party to this Agreement shall be liable to any other Party for any direct, indirect, special, incidental or consequential losses, damages, claims, liabilities, costs or expenses (including attorneys fees and court costs) arising from the performance or non-performance of its obligations under this Agreement regardless of the cause (including intentional action, willful action, gross or ordinary negligence, or force majeure); provided, however, that a Party may seek equitable or other non-monetary relief as may be necessary to enforce this Agreement and that damages for which a Party may be liable to another Party under another agreement will not be considered damages under this Agreement.

4.3 Confidentiality: Confidential Information shall be treated in accordance with Section 14.1 of the GIDAPRIS.

4.4 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.

4.5 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.

4.6 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, Attachment, or Appendix means such Article or Section of this Agreement or such Attachment or Appendix to this Agreement, or such Section of the or such Appendix to the , as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section; (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".

4.7 Entire Agreement: This Agreement, including all Attachments hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and

supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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.

- 4.8** 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.
- 4.9** 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 a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing. Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 4.10** 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.
- 4.11** 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.
- 4.12** Modification by the Parties: The Parties may amend this Agreement and any Appendices to this Agreement only (1) by mutual agreement of the Parties by a written instrument duly executed by the Parties, subject to FERC approval or (2) upon the issuance of a FERC order, pursuant to Section 206 of the Federal Power Act. It is the Parties' intent that FERC's right to change any provision of this Agreement shall be limited to the maximum extent permissible by law and that any such change, if permissible, shall be in accordance with the Mobile-Sierra public interest standard applicable to fixed rate agreements. *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956). Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations. Notwithstanding the foregoing, Attachment B (Notices) may be modified as set forth in Section 4.15 of this Agreement, and the CAISO and the PTO may from time to time mutually agree to deviate from Attachment A in accordance with the provisions of this Agreement, however, such deviation shall be subject to Section 4.9 of this Agreement and not considered a course of dealing.
- 4.13** 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.
- 4.14** Assignment: This Agreement may be assigned by a Party only with the written consent

of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties 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. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

4.15 Notices: Any notice, demand, or request provided in this Agreement, or served, given, or made in connection with it, will be in writing and deemed properly served, given, or made if delivered in person, transmitted by facsimile, or sent by United States mail, postage prepaid, to the persons specified in Attachment B hereto unless otherwise provided in this Agreement. Any Party may at any time, by notice to all other Parties, change the designation or address of the person specified in Attachment B as the person who receives notices pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[NAME OF PTO]

By: _____

Printed Name: _____

Title: _____

Date: _____

Line	Phase I Cluster Study	Typical Calendar Days	Timeline (Days)
1	CAISO and PTOs develop initial Generating Facility groups for initial Dispatch assumptions and cost allocation purposes (except for thermal overload and short circuit mitigation).	4	4
2	PTOs develop draft Base Cases, each representing all Generating Facilities in the queue cluster, and deliver to CAISO.	44	2-15
3	PTO develops preferred and alternative, if applicable, direct interconnection plans, including the need for an Interconnection Grid Substation (IGS).	44	2-15
4	CAISO reviews and approves direct interconnection plans and change files.	5	16-20
5	CAISO updates deliverability base case. PTOs update reliability base cases. PTOs develop draft contingency lists.	40	21-30
6	CAISO reviews and approves reliability base cases and contingency lists.	5	31-35
7	CAISO performs peak Deliverability Assessment identifying constrained facilities and prepares results summary.	24	36-56
8	At the CAISO's direction, the PTOs perform the off-peak Load Flow, and summer peak and off-peak Post Transient and Stability analyses and submits draft study results to CAISO for review and direction.	24	36-56
9	CAISO and PTOs develop mitigation plans and determine RNU and LDNU.	24	57-77
10	CAISO develops deliverability base case with TP upgrades only.	7	78-84
11	CAISO performs deliverability assessment for the purpose of determining incremental ADNUs and proposes ADNU.	24	85-105
12	CAISO and PTOs finalize ADNU.	44	106-119
13	CAISO develops shift factors for cost allocation purposes of all Network Upgrades and usage of previously triggered Network Upgrades.	7	120-126
14	CAISO performs off-peak deliverability assessment.	44	127-140
Short Circuit Duty			
15	CAISO coordinates with other potentially affected facility owners ⁴ .	n/a	n/a
16	CAISO directs PTO to develop Base Case and run short circuit analysis.	106	21-126

Line	Phase II Cluster Study	Typical Calendar Days	Timeline (Days)
1	CAISO and PTOs update Base Cases based on the annual reassessment study results.	7	1-7
2	CAISO reviews and approves Base Cases. PTOs update contingency lists.	7	8-14
3	CAISO reviews and approves contingency lists.	5	15-19
4	CAISO performs peak Deliverability Assessment identifying constrained facilities and prepares results summary.	21	20-40
5	At the CAISO's direction, the PTOs perform the off-peak Load Flow, and summer peak and off-peak Post Transient and Stability analyses and submit draft study results to CAISO for review and direction.	21	20-40
6	CAISO and PTOs determine RNU and LDNU.	21	41-61
7	CAISO performs peak Deliverability Assessment for Option B projects for the purpose of identifying ADNU.	28	62-89
8	PTOs performs additional reliability assessment with all LDNUs modeled and identify.	28	62-89
9	CAISO and PTOs determine ADNU and additional RNU and LDNU.	14	90-103
10	CAISO develops cost allocation table.	7	104-110
11	CAISO performs off-peak Deliverability Assessment.	14	111-124
12	PTOs update short-circuit duty results with all RNU and LDNU.	105	20-124
13	PTOs update short-circuit duty results with ADNU.	21	125-145
14	CAISO performs operational deliverability assessment.	60	111-170
15	PTOs perform operational reliability assessment.	60	111-170
Study Report Including Facility Costs and Schedules			
16	At the CAISO's direction, PTOs prepare detailed cost estimates and schedules for the direct assignment facilities and schedules for RNU and LDNU identified in the overall plan of service and including individual segments.	91	20-110
17	At the CAISO's direction, PTOs prepare draft reports that include detailed cost estimates and schedules for the direct assignment facilities and Network Upgrades identified in the overall plan of service and including individual segments.	131	20-150
18	CAISO reviews draft report and submits comments, recommendations and direction to the PTOs.	14	151-164
19	PTOs incorporate CAISO directions, conclusions and recommendations and add operational assessment conclusions to the draft report. If CAISO conclusions and recommendations conflict with PTO conclusions, then CAISO and PTO must coordinate to resolve conflicts. Any remaining conflicts must be noted in the final report.	24	165-185

20	CAISO finalizes the reports and tenders the reports to IC.	20	186-205
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ATTACHMENT B
CONTACTS FOR NOTICES
[Section 4.15]

California ISO

Manager, Transmission Engineering
250 Outcropping Way
Folsom, CA 95630
Phone: 916.351.2104
Fax: 916.351.2264

[NAME OF PTO]

[Address of PTO]

Appendix 6
[Intentionally Omitted]
INDEPENDENT STUDY PROCESS STUDY AGREEMENT

~~THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer") and the California Independent System Operator Corporation, a California nonprofit public benefit corporation existing under the laws of the State of California, ("CAISO"). The Interconnection Customer and the CAISO each may be referred to as a "Party," or collectively as the "Parties."~~

~~**-RECITALS**~~

~~WHEREAS, the 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 the Interconnection Customer dated _____; and~~

~~WHEREAS, the Interconnection Customer desires to interconnect the Generating Facility with the CAISO Controlled Grid pursuant to the Independent Study Process; and~~

~~WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Generating Facility to the CAISO Controlled Grid;~~

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

- ~~1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the CAISO's FERC-approved Generation Interconnection Procedures in CAISO Tariff Appendix DD or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.~~
- ~~2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies in accordance with the CAISO Tariff.~~
- ~~3.0 The scope of the applicable Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.~~
- ~~4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 6.1.2 of the GIDAP and modifications to the proposed Commercial Operation Date of the Generating Facility permitted by the GIDAP. The CAISO reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If the 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 _____.~~
- ~~5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the GIDAP.~~
- ~~6.0 The Interconnection Customer shall provide an Interconnection Study Deposit and other~~

~~Interconnection Financial Security for the performance of the Interconnection Studies in accordance with the provisions of Sections 3.5.1 and 11 of the GIDAP.~~

~~Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Section 3.5.1 of the GIDAP.~~

~~Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the GIDAP.~~

- ~~7.0 Pursuant to Section 3.7 of the GIDAP, the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of the system impact and facilities study results to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.~~
- ~~8.0 Substantial portions of technical data and assumptions used to perform the Interconnection Studies, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the system impact and facilities study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, 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.~~
- ~~9.0 The CAISO 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 CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.~~
- ~~10.0 In accordance with Section 3.8 of the GIDAP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Sections 3.5.1 and 15.1 of the GIDAP.~~
- ~~11.0 This Agreement shall become effective upon the date the fully executed Agreement is received by the CAISO. If the CAISO does not receive the fully executed Agreement and deposit or other Interconnection Financial Security pursuant to Section 3.5.1 of the GIDAP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the CAISO pursuant to Section 3.8 of the GIDAP.~~
- ~~12.0 Miscellaneous.~~
- ~~12.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection~~

~~with this Agreement, shall be resolved in accordance with Section 15.5 of the GIDAP.~~

~~12.2 Confidentiality. Confidential Information shall be treated in accordance with Section 15.4 of the GIDAP.~~

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

~~12.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.~~

~~12.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the or such Appendix to the, 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".~~

~~12.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.~~

~~12.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.~~

~~12.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.~~

~~Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, 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 Participating TO or CAISO. Any waiver of this Agreement shall, if requested, be provided in writing.~~

~~Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.~~

~~12.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.~~

~~12.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.~~

~~12.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.~~

~~12.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.~~

~~12.13 Reservation of Rights. The CAISO 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.~~

~~12.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.~~

~~12.15 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party; provided that a Party may assign this Agreement without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of the other Party, for collateral security purposes to aid in providing financing for the 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.~~

~~**California Independent System Operator Corporation**~~

~~By: _____~~

~~Printed Name: _____~~

~~Title: _____~~

~~Date: _____~~

~~**[Insert name of the Interconnection Customer]**~~

~~By: _____~~

~~Printed Name: _____~~

~~Title: _____~~

~~Date: _____~~

Appendix A

ASSUMPTIONS USED IN CONDUCTING THE SYSTEM IMPACT AND FACILITIES STUDY

~~The system impact and facilities study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 6.1.2 of the GIDAP, and the following assumptions:~~

~~Designation of Point of Interconnection and configuration to be studied.~~

~~Deliverability Status requested (Full Capacity, Partial Capacity, or Energy-Only)~~

Appendix B Data Form, Pre-System Impact and Facilities Study

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

Generating Facility size (MW): _____

Provide two copies of this completed form and other required plans and diagrams in accordance with Section 4.5 of the GIDAP.

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

One set of metering is required for each generation connection to the new bus or existing CAISO Controlled Grid station. Number of generation connections: _____

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

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

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

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

What type of control system or PLC will be located at the 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 the Participating TO'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 the Participating TO or CAISO.~~

~~Is the Generating Facility in the Participating TO's service area?~~

~~Yes _____ No _____~~

~~Local service provider for auxiliary and other power: _____~~

~~Please provide proposed schedule dates:~~

~~Environmental survey start: _____~~

~~Environmental impact report submittal: _____~~

~~Procurement of project equipment: _____~~

~~Begin Construction Date: _____~~

~~In-Service Date: _____~~

~~Trial Operation Date: _____~~

~~Commercial Operation Date: _____~~

~~Level of Deliverability Status: Choose one of the following:~~

~~_____ Energy Only~~

~~_____ Full Capacity~~

~~_____ Partial Capacity (expressed in fraction of Full Capacity)~~

~~Off-Peak Deliverability Status: Choose one of the following:~~

~~_____ Off-Peak Deliverable~~

~~_____ Off-Peak Energy Only~~

~~Please provide any additional modification request pursuant to Section 6.7.2.2 of Appendix DD.~~

Appendix 7

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Participating TO ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the ~~Generator Interconnection and Deliverability Allocation Procedures~~ Resource Interconnection Standards (RISGIDAP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____
Contact Person: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone (Day): _____ (Evening): _____
Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____
Electric Service Company: _____
Account Number: _____
Inverter Manufacturer: _____ Model _____
Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts) _____
Single Phase _____ Three Phase _____
System Design Capacity: _____ (kW) _____ (kVA) _____
Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell
Turbine Other _____
Energy Source: Solar Wind Hydro Diesel Natural Gas
Fuel Oil Other (describe) _____
Is the equipment UL1741 Listed? _____ Yes _____ No _____
If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Appendices 9 and 10 of the Generator Interconnection Procedures (), or the Participating TO has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

	Equipment Type	Certifying Entity
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

Application ID number: _____

Company waives inspection/witness test? Yes___ No___

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City _____ State _____ ZIP: _____

Fax: _____

Approval to Energize the Small Generating Facility (For Company use only)
Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for
Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _____

Title: _____ Date: _____

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Participating TO (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 Indemnification

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

7.0 Insurance

The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 Limitation of Liability

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 Termination

The agreement to operate in parallel may be terminated under the following conditions:

- 9.1 By the Customer
 - By providing written notice to the Company.
- 9.2 By the Company
 - If the Small Generating Facility fails to operate for any consecutive 12-month period or the Customer fails to remedy a violation of these Terms and Conditions.
- 9.3 Permanent Disconnection

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 Survival Rights

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 Assignment/Transfer of Ownership of the Facility

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

Appendix 8

[intentionally omitted]

Appendix 9

Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

Appendix 10

Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in Appendix 9, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

APPENDIX 11

~~{Not Used}~~

TWO-PARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer), and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO), and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customer, the CAISO, and the Participating TO each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 the Participating TO will coordinate with Affected System Interconnection Customer to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customer and {name of host transmission provider}. the CAISO reserves the right to request additional technical information from Affected System Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 The Affected System Study will provide the following information:
 - identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;

- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the (generating facility) to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customer will provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customer, the Participating TO will charge, and Affected System Interconnection Customer will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customer, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

<u>By: _____</u>	<u>By: _____</u>
<u>Title: _____</u>	<u>Title: _____</u>
<u>Date: _____</u>	<u>Date: _____</u>

{Insert name of the CAISO }

<u>By: _____</u>	<u>By: _____</u>
<u>Title: _____</u>	<u>Title: _____</u>
<u>Date: _____</u>	<u>Date: _____</u>

{Insert name of Affected System Interconnection Customer}

<u>By: _____</u>
<u>Title: _____</u>
<u>Date: _____</u>

Project No. _____

Attachment A to Appendix 11
Two-Party Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customer and the Participating TO }

APPENDIX 12
MULTIPARTY AFFECTED SYSTEM STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, a _____ organized and existing under the laws of the State of _____ (the Participating TO); and the California Independent System Operator Corporation, organized and existing under the laws of the State of California (the CAISO). Affected System Interconnection Customers, the CAISO, and the Participating TO each may be referred to as a "Party," or collectively as the "Parties." When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as "Affected System Interconnection Customer" or collectively as the "Affected System Interconnection Customers."

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} with {name of host transmission provider}'s transmission system;

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 will have the meanings indicated in this RIS.
- 2.0 _____ the Participating TO will coordinate with Affected System Interconnection Customers to perform an Affected System Study consistent with Section 14.5 of this RIS.
- 3.0 _____ The scope of the Affected System Study will be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 _____ The Affected System Study will be based upon the technical information provided by Affected System Interconnection Customers and {name of host transmission provider}. _____ the Participating TO reserves the right to request additional technical information from Affected System Interconnection Customers as may reasonably become necessary consistent with Good Utility Practice during the course of the Affected System Study.
- 5.0 _____ The Affected System Study will provide the following information:
 - _____ identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - _____ identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection;
- non-binding, good faith estimated cost and time required to construct facilities required on the CAISO Controlled Grid to accommodate the interconnection of the {generating facilities} to the transmission system of the host transmission provider; and
- description of how such facilities will address the identified short circuit, instability, and power flow issues.

6.0 Affected System Interconnection Customers will each provide a deposit of _____ for performance of the Affected System Study. Upon receipt of the results of the Affected System Study by the Affected System Interconnection Customers, the Participating TO will charge, and Affected System Interconnection Customers will pay, the actual cost of the Affected System Study. Any difference between the deposit and the actual cost of the Affected System Study will be paid by or refunded to Affected System Interconnection Customers, as appropriate, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.

7.0 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of the RIS.

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 the Participating TO }

By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

{Insert name of the CAISO }

By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

{Insert name of Affected System Interconnection Customer}

By: _____
 Title: _____
 Date: _____

Project No. _____

{Insert name of Affected System Interconnection Customer}

By: _____
 Title: _____
 Date: _____

Project No. _____

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Attachment A to Appendix 12
Multiparty Affected System Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE
MULTIPARTY AFFECTED SYSTEM STUDY

The Affected System Study will be based upon the following assumptions:

{Assumptions to be completed by Affected System Interconnection Customers and the Participating TO }

APPENDIX 13
TWO-PARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer) and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). **Affected System Interconnection Customer and the Participating TO each may be referred to as a "Party" or collectively as the "Parties."**

RECITALS

WHEREAS, Affected System Interconnection Customer is proposing to develop a {description of generating facility or generating capacity addition to an existing generating facility} consistent with the interconnection request submitted by Affected System Interconnection Customer to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customer desires to interconnect the {generating facility} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customer has requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customer for the Participating TO's design, procurement, construction and installation of the Affected System Network Upgrade(s) provided in Appendix A; (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customer terminates this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customer has no outstanding contractual obligations to the Participating TO under this Agreement. No termination

of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if (1) the commercial operation date for the {generating facility} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or (2) the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, the non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer by the Participating TO for any such damages, including costs and expenses, incurred by the Participating TO as a result of such Default.

2.2.3 Consequences of Termination. In the event of a termination by either Party, other than a termination by Affected System Interconnection Customer due to a Default by the Participating TO, Affected System Interconnection Customer will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs.

2.2.4 Reservation of Rights. The Participating TO will 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 Affected System Interconnection Customer will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 8. If Affected System Interconnection Customer has executed this Agreement, or any amendment thereto, Affected System Interconnection Customer will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

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2.5 Termination Obligations. Upon any termination pursuant to this Agreement, Affected System Interconnection Customer will be responsible for the payment of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration.

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ARTICLE 3
CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)

3.1 Construction.

3.1.1 The Participating TO Obligations. The Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customer will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. The Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customer must provide to the Participating TO written notice of its request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customer will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the CAISO Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or orders, the Participating TO will obtain Affected System Interconnection Customer's authorization. Affected System Interconnection Customer will be responsible for all costs incurred in connection with Affected System Interconnection Customer's failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customer to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customer has suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customer pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customer suspends work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and has not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customer advised periodically as to the progress of its design, procurement and construction efforts, as described in Appendix A. Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, Affected System Interconnection Customer will provide written notice to the Participating TO of such later date upon which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify Affected System Interconnection Customer. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customer to evaluate the alternatives available to Affected System Interconnection Customer. The Participating TO will also make available to Affected System Interconnection Customer all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customer to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. The Participating TO will, at Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customer authorizes such actions, such authorization to be withheld, conditioned, or delayed by Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the Affected System Interconnection Customer funds costs associated therewith in advance.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customer will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customer or the Participating TO, the Participating TO will, at Affected System Interconnection Customer's expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with Articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The

Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customer has suspended construction pursuant to Article 3.1.2. Affected System Interconnection Customer may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If the Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse Affected System Interconnection Customer for the amounts advanced for the Affected System Network Upgrade(s). Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customer to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customer for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customer to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customer will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customer will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customer with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by Affected System Interconnection Customer and at Affected System Interconnection Customer's expense, will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with Affected System Interconnection Customer regarding the conduct of such contest. Affected System Interconnection Customer will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest,

abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which Affected System Interconnection Customer has already made payment to the Participating TO, the Participating TO will promptly refund to Affected System Interconnection Customer any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or which the Participating TO may be entitled with respect to such payment. Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: The Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to Affected System Interconnection Customer in accordance with the terms of this Agreement, provided Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At Affected System Interconnection Customer's request and expense, the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Affected System Interconnection Customer to the Participating TO under this Agreement are subject to federal income taxation. Affected System Interconnection Customer will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Affected System Interconnection Customer's knowledge. The Participating TO and Affected System Interconnection Customer will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by Affected System Interconnection Customer, and at Affected System Interconnection Customer's sole expense, the Participating TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which Affected System Interconnection Customer may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Affected System Interconnection Customer and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 **SECURITY, BILLING, AND PAYMENTS**

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for

installing the Affected System Network Upgrade(s). Affected System Interconnection Customer will provide the Participating TO, at Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Party, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s), the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. the Participating TO will refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

4.5 Interest. Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

4.6 Payment During Dispute. In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

ARTICLE 5 **BREACH, CURE AND DEFAULT**

5.1 Events of Breach. A Breach of this Agreement will include the:

(a) Failure to pay any amount when due;

(b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

(c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

(d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

5.2 Definition. Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

5.3.1 Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days.

5.3.2 In the event the Breaching Party fails to cure within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Party may terminate this Agreement in accordance with Article 6.2 of this Agreement or take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.4 Rights in the Event of Default. Notwithstanding the foregoing, upon the occurrence of a Default, the non-Defaulting Party will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 **TERMINATION OF AGREEMENT**

6.1 Expiration of Term. Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 Termination. In addition to the termination provisions set forth in Article 2.2, a Party may terminate this Agreement upon the Default of the other Party in accordance with Article 5.2.2 of this Agreement. Subject to the limitations set forth in Article 6.3, in the event of a Default, the termination of this Agreement by the non-Defaulting Party will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 Disposition of Facilities Upon Termination of Agreement.

6.3.1 the Participating TO Obligations. Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

(a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 Affected System Interconnection Customer Obligations. Upon billing by the Participating TO, Affected System Interconnection Customer will reimburse the Participating TO for any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for the cost of any Affected System Network Upgrade(s) described in Appendix A. the Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 Pre-construction or Installation. Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that Affected System Interconnection Customer has already paid the Participating TO for any or all of such costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, the Participating TO will convey and make available to Affected System Interconnection Customer such facilities as soon as practicable after Affected System Interconnection Customer's payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 **CONFIDENTIALITY**

8.1 Confidentiality. Confidential Information will include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied to the other Party prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer, or to potential purchasers or assignees of Affected System Interconnection Customer, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure.

publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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. Neither Party, however, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Party to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability

organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

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ARTICLE 9
INFORMATION ACCESS AND AUDIT RIGHTS

9.1 Information Access. Each Party will make available to the other Party information necessary to verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customer at its expense will have the right, during normal business hours, and upon prior reasonable notice to the Participating TO, to audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Party, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

To the Participating TO:

-

To Affected System Interconnection Customer:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

To the Participating TO:

-

-

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To Affected System Interconnection Customer:

10.4 Execution and Filing. Affected System Interconnection Customer will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customer and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customer under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customer's generating facility. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

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ARTICLE 11 **MISCELLANEOUS**

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

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[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

-

the Participating TO

{the Participating TO}

By: _____

Name: _____

Title: _____

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Attachment A to Appendix 13
Two-Party Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 1: the Participating TO Construction Activities

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>START DATE</u>	<u>END DATE</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customer and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customer's Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customer's payment schedule is as follows.

{description}

Table 2: Affected System Interconnection Customer's Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-
Note: Affected System Interconnection Customer's payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 13
Two-Party Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

This Appendix B is a part of the Affected Systems Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customer in substantially the form following:

{Date}

{Affected System Interconnection Customer Address}

Re: Completion of Affected System Network Upgrade(s)

Dear {Name or Title}:

This letter is sent pursuant to the Affected System Facilities Construction Agreement between {the Participating TO} and {Affected System Interconnection Customer}, dated _____, 20__.

On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's {description of generating facility}. The Participating TO confirms that the Affected System Network Upgrade(s) are in place.

Thank you.

{Signature}
{the Participating TO Representative}

Attachment C to Appendix 13
Two-Party Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Affected System Facilities Construction Agreement between Affected System Interconnection Customer and the Participating TO.

Exhibit A1
the Participating TO Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

-

	<u>Location</u>	<u>Facilities to Be Constructed by the Participating TO</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

APPENDIX 14 TO RIS
MULTIPARTY AFFECTED SYSTEM FACILITIES CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and among _____, organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); _____, a _____ organized and existing under the laws of the State of _____ (Affected System Interconnection Customer); and _____, an entity organized and existing under the laws of the State of _____ (the Participating TO). Affected System Interconnection Customers and the Participating TO each may be referred to as a “Party” or collectively as the “Parties.” When it is not important to differentiate among them, Affected System Interconnection Customers each may be referred to as “Affected System Interconnection Customer” or collectively as “Affected System Interconnection Customers.”

RECITALS

WHEREAS, Affected System Interconnection Customers are proposing to develop {description of generating facilities or generating capacity additions to an existing generating facility}, consistent with the interconnection requests submitted by Affected System Interconnection Customers to {name of host transmission provider}, dated _____, for which {name of host transmission provider} found impacts on the CAISO Controlled Grid; and

WHEREAS, Affected System Interconnection Customers desire to interconnect the {generating facilities} to {name of host transmission provider}'s transmission system; and

WHEREAS, additions, modifications, and upgrade(s) must be made to certain existing facilities of the CAISO Controlled Grid to accommodate such interconnection; and

WHEREAS, Affected System Interconnection Customers have requested, and the Participating TO has agreed, to enter into this Agreement for the purpose of facilitating the construction of necessary Affected System Network Upgrade(s);

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

ARTICLE 1
DEFINITIONS

When used in this Agreement, with initial capitalization, the terms specified and not otherwise defined in this Agreement will have the meanings indicated in this RIS.

ARTICLE 2
TERM OF AGREEMENT

2.1 Effective Date. This Agreement will become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC.

2.2 Term.

2.2.1 General. This Agreement will become effective as provided in Article 2.1 and will continue in full force and effect until the earlier of (1) the final repayment, where applicable, by the Participating TO of the amount funded by Affected System Interconnection Customers for the Participating TO's design, procurement, construction, and installation of the Affected System Network Upgrade(s) provided in

Appendix A: (2) the Parties agree to mutually terminate this Agreement; (3) earlier termination is permitted or provided for under Appendix A of this Agreement; or (4) Affected System Interconnection Customers terminate this Agreement after providing the Participating TO with written notice at least sixty (60) days prior to the proposed termination date, provided that Affected System Interconnection Customers have no outstanding contractual obligations to the Participating TO under this Agreement. No termination of this Agreement will be effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination. The term of this Agreement may be adjusted upon mutual agreement of the Parties if the commercial operation date(s) for the {generating facilities} is adjusted in accordance with the rules and procedures established by {name of host transmission provider} or the in-service date for the Affected System Network Upgrade(s) is adjusted in accordance with the rules and procedures established by the Participating TO.

2.2.2 Termination Upon Default. Default will mean the failure of a Breaching Party to cure its Breach in accordance with Article 5 of this Agreement where Breach and Breaching Party are defined in Article 5. Defaulting Party will mean the Party that is in Default. In the event of a Default by a Party, each non-Defaulting Party will have the termination rights described in Articles 5 and 6; provided, however, the Participating TO may not terminate this Agreement if an Affected System Interconnection Customer is the Defaulting Party and compensates the Participating TO within thirty (30) days for the amount of damages billed to Affected System Interconnection Customer(s) by the Participating TO for any such damages, including costs and expenses incurred by the Participating TO as a result of such Default. Notwithstanding the foregoing, Default by one or more Affected System Interconnection Customers will not provide the other Affected System Interconnection Customer(s), either individually or in concert, with the right to terminate the entire Agreement. The non-Defaulting Party/Parties may, individually or in concert, initiate the removal of an Affected System Interconnection Customer that is a Defaulting Party from this Agreement. The Participating TO will not terminate this Agreement or the participation of any Affected System Interconnection Customer without provision being made for the Participating TO to be fully reimbursed for all of its costs incurred under this Agreement.

2.2.3 Consequences of Termination. In the event of a termination by a Party, other than a termination by Affected System Interconnection Customer(s) due to a Default by the Participating TO, each Affected System Interconnection Customer whose participation in this Agreement is terminated will be responsible for the payment to the Participating TO of all amounts then due and payable for construction and installation of the Affected System Network Upgrade(s) (including, without limitation, any equipment ordered related to such construction), plus all out-of-pocket expenses incurred by the Participating TO in connection with the construction and installation of the Affected System Network Upgrade(s), through the date of termination, and, in the event of the termination of the entire Agreement, any actual costs which the Participating TO reasonably incurs in (1) winding up work and construction demobilization and (2) ensuring the safety of persons and property and the integrity and safe and reliable operation of the CAISO Controlled Grid. The Participating TO will use Reasonable Efforts to minimize such costs. The cost responsibility of other Affected System Interconnection Customers will be adjusted, as necessary, based on the payments by an Affected System Interconnection Customer that is terminated from the Agreement.

2.2.4 Reservation of Rights. the Participating TO will 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 Affected System Interconnection Customers will 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 will have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement will 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.

2.3 Filing. The Participating TO will file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Affected System Interconnection Customers may request that any information so provided be subject to the confidentiality provisions of Article 8. Each Affected System Interconnection Customer that has executed this Agreement, or any amendment thereto, will reasonably cooperate with the Participating TO with respect to such filing and to provide any information reasonably requested by the Participating TO needed to comply with applicable regulatory requirements.

2.4 Survival. This Agreement will continue in effect after termination, to the extent necessary, to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment.

2.5 Termination Obligations. Upon any termination pursuant to this Agreement or termination of the participation in this Agreement of an Affected System Interconnection Customer, each Affected System Interconnection Customer will be responsible for the payment of its proportionate share of all costs or other contractual obligations incurred prior to the termination date, including previously incurred capital costs, penalties for early termination, and costs of removal and site restoration. The cost responsibility of the other Affected System Interconnection Customers will be adjusted as necessary.

ARTICLE 3 **CONSTRUCTION OF AFFECTED SYSTEM NETWORK UPGRADE(S)**

3.1 Construction.

3.1.1 The Participating TO Obligations. the Participating TO will (or will cause such action to) design, procure, construct, and install, and Affected System Interconnection Customers will pay, consistent with Article 3.2, the costs of all Affected System Network Upgrade(s) identified in Appendix A. All Affected System Network Upgrade(s) designed, procured, constructed, and installed by the Participating TO pursuant to this Agreement will satisfy all requirements of applicable safety and/or engineering codes and comply with Good Utility Practice, and further, will satisfy all Applicable Laws and Regulations. the Participating TO will not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or any Applicable Laws and Regulations.

3.1.2 Suspension of Work.

3.1.2.1 Right to Suspend. Affected System Interconnection Customers must jointly provide to the Participating TO written notice of their request for suspension. Only the milestones described in the Appendices of this Agreement are subject to suspension under this Article 3.1.2. Affected System Network Upgrade(s) will be constructed on the schedule described in the Appendices of this Agreement unless: (1) construction is prevented by the order of a Governmental Authority; (2) the Affected System Network Upgrade(s) are not needed by any other Interconnection Customer; or (3) the Participating TO determines that a Force Majeure event prevents construction. In the event of (1), (2), or (3), any security paid to the Participating TO under Article 4.1 of this Agreement will be released by the Participating TO upon the determination by the Participating TO that the Affected System Network Upgrade(s) will no longer be constructed. If suspension occurs, Affected System Interconnection Customers will be responsible for the costs which the Participating TO incurs (i) in accordance with this Agreement prior to the suspension; (ii) in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the CAISO Controlled Grid and, if applicable, any costs incurred in connection with the cancellation of contracts and orders for material which the Participating TO cannot reasonably avoid; and (iii) reasonably incurs in winding up work and construction demobilization; provided, however, that, prior to canceling any such contracts or

orders, the Participating TO will obtain Affected System Interconnection Customers' authorization. Affected System Interconnection Customers will be responsible for all costs incurred in connection with Affected System Interconnection Customers' failure to authorize cancellation of such contracts or orders.

Interest on amounts paid by Affected System Interconnection Customers to the Participating TO for the design, procurement, construction, and installation of the Affected System Network Upgrade(s) will not accrue during periods in which Affected System Interconnection Customers have suspended construction under this Article 3.1.2.

The Participating TO will invoice Affected System Interconnection Customers pursuant to Article 4 and will use Reasonable Efforts to minimize its costs. In the event Affected System Interconnection Customers suspend work by Affected System the Participating TO required under this Agreement pursuant to this Article 3.1.2.1, and have not requested Affected System the Participating TO to recommence the work required under this Agreement on or before the expiration of three (3) years following commencement of such suspension, this Agreement will be deemed terminated. The three-year period will begin on the date the suspension is requested, or the date of the written notice to Affected System the Participating TO, whichever is earlier, if no effective date of suspension is specified.

3.1.3 Construction Status. The Participating TO will keep Affected System Interconnection Customers advised periodically as to the progress of its design, procurement, and construction efforts, as described in Appendix A. An Affected System Interconnection Customer may, at any time and reasonably, request a progress report from the Participating TO. If, at any time, an Affected System Interconnection Customer determines that the completion of the Affected System Network Upgrade(s) will not be required until after the specified in-service date, such Affected System Interconnection Customer will provide written notice to all other Parties of such later date for which the completion of the Affected System Network Upgrade(s) would be required. The Participating TO may delay the in-service date of the Affected System Network Upgrade(s) accordingly, but only if agreed to by all other Affected System Interconnection Customers.

3.1.4 Timely Completion. The Participating TO will use Reasonable Efforts to design, procure, construct, install, and test the Affected System Network Upgrade(s) in accordance with the schedule set forth in Appendix A, which schedule may be revised from time to time by mutual agreement of the Parties. If any event occurs that will affect the time or ability to complete the Affected System Network Upgrade(s), the Participating TO will promptly notify all other Parties. In such circumstances, the Participating TO will, within fifteen (15) days of such notice, convene a meeting with Affected System Interconnection Customers to evaluate the alternatives available to Affected System Interconnection Customers. the Participating TO will also make available to Affected System Interconnection Customers all studies and work papers related to the event and corresponding delay, including all information that is in the possession of the Participating TO that is reasonably needed by Affected System Interconnection Customers to evaluate alternatives, subject to confidentiality arrangements consistent with Article 8. the Participating TO will, at any Affected System Interconnection Customer's request and expense, use Reasonable Efforts to accelerate its work under this Agreement to meet the schedule set forth in Appendix A, provided that (1) Affected System Interconnection Customers jointly authorize such actions, such authorizations to be withheld, conditioned, or delayed by a given Affected System Interconnection Customer only if it can demonstrate that the acceleration would have a material adverse effect on it; and (2) the requesting Affected System Interconnection Customer(s) funds the costs associated therewith in advance, or all Affected System Interconnection Customers agree in advance to fund such costs based on such other allocation method as they may adopt.

3.2 Interconnection Costs.

3.2.1 Costs. Affected System Interconnection Customers will pay to the Participating TO costs (including taxes and financing costs) associated with seeking and obtaining all necessary approvals and of designing, engineering, constructing, and testing the Affected System Network Upgrade(s), as identified in Appendix A, in accordance with the cost recovery method provided herein. Except as

expressly otherwise agreed. Affected System Interconnection Customers will be collectively responsible for these costs, based on their proportionate share of cost responsibility, as provided in Appendix A. Unless the Participating TO elects to fund the Affected System Network Upgrade(s), they will be initially funded by the applicable Affected System Interconnection Customer.

3.2.1.1 Lands of Other Property Owners. If any part of the Affected System Network Upgrade(s) is to be installed on property owned by persons other than Affected System Interconnection Customers or the Participating TO, the Participating TO will, at Affected System Interconnection Customers' expense, use efforts similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority to the extent permitted and consistent with Applicable Laws and Regulations and, to the extent consistent with such Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights-of-way, and easements that are necessary to construct, operate, maintain, test, inspect, replace, or remove the Affected System Network Upgrade(s) upon such property.

3.2.2 Repayment.

3.2.2.1 Repayment. Consistent with articles 11.4.1 and 11.4.2 of the CAISO's pro forma LGIA, each Affected System Interconnection Customer will be entitled to a cash repayment by the Participating TO of the amount each Affected System Interconnection Customer paid to the Participating TO, if any, for the Affected System Network Upgrade(s), including any tax gross-up or other tax-related payments associated with the Affected System Network Upgrade(s), and not refunded to Affected System Interconnection Customer pursuant to Article 3.3.1 or otherwise. The Parties may mutually agree to a repayment schedule, to be outlined in Appendix A, not to exceed twenty (20) years from the commercial operation date, for the complete repayment for all applicable costs associated with the Affected System Network Upgrade(s). Any repayment will include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR 35.19 a(a)(2)(iii) from the date of any payment for Affected System Network Upgrade(s) through the date on which Affected System Interconnection Customers receive a repayment of such payment pursuant to this subparagraph. Interest will not accrue during periods in which Affected System Interconnection Customers have suspended construction pursuant to Article 3.1.2.1. Affected System Interconnection Customers may assign such repayment rights to any person.

3.2.2.2 Impact of Failure to Achieve Commercial Operation. If an Affected System Interconnection Customer's generating facility fails to achieve commercial operation, but it or another generating facility is later constructed and makes use of the Affected System Network Upgrade(s), the Participating TO will at that time reimburse such Affected System Interconnection Customers for the portion of the Affected System Network Upgrade(s) it funded. Before any such reimbursement can occur, Affected System Interconnection Customer (or the entity that ultimately constructs the generating facility, if different), is responsible for identifying the entity to which the reimbursement must be made.

3.3 Taxes.

3.3.1 Indemnification for Contributions in Aid of Construction. With regard only to payments made by Affected System Interconnection Customers to the Participating TO for the installation of the Affected System Network Upgrade(s), the Participating TO will not include a gross-up for income taxes in the amounts it charges Affected System Interconnection Customers for the installation of the Affected System Network Upgrade(s) unless (1) the Participating TO has determined, in good faith, that the payments or property transfers made by Affected System Interconnection Customers to the Participating TO should be reported as income subject to taxation, or (2) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation. Affected System Interconnection Customers will reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with this Article, within thirty (30) days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

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The indemnification obligation will terminate at the earlier of (1) the expiration of the ten (10)-year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the Internal Revenue Service, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article. Notwithstanding the foregoing provisions of this Article 3.3.1, and to the extent permitted by law, to the extent that the receipt of such payments by the Participating TO is determined by any Governmental Authority to constitute income by the Participating TO subject to taxation, Affected System Interconnection Customers will protect, indemnify, and hold harmless the Participating TO and its Affiliates, from all claims by any such Governmental Authority for any tax, interest, and/or penalties associated with such determination. Upon receiving written notification of such determination from the Governmental Authority, the Participating TO will provide Affected System Interconnection Customers with written notification within thirty (30) days of such determination and notification. the Participating TO, upon the timely written request by any one or more Affected System Interconnection Customer(s) and at the expense of such Affected System Interconnection Customer(s), will appeal, protest, seek abatement of, or otherwise oppose such determination. the Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the compromise or settlement of the claim; provided that the Participating TO will cooperate and consult in good faith with the requesting Affected System Interconnection Customer(s) regarding the conduct of such contest. Affected System Interconnection Customer(s) will not be required to pay the Participating TO for the tax, interest, and/or penalties prior to the seventh (7th) day before the date on which the Participating TO (1) is required to pay the tax, interest, and/or penalties or other amount in lieu thereof pursuant to a compromise or settlement of the appeal, protest, abatement, or other contest; (2) is required to pay the tax, interest, and/or penalties as the result of a final, non-appealable order by a Governmental Authority; or (3) is required to pay the tax, interest, and/or penalties as a prerequisite to an appeal, protest, abatement, or other contest. In the event such appeal, protest, abatement, or other contest results in a determination that the Participating TO is not liable for any portion of any tax, interest, and/or penalties for which any Affected System Interconnection Customer(s) has already made payment to the Participating TO, the Participating TO will promptly refund to such Affected System Interconnection Customer(s) any payment attributable to the amount determined to be non-taxable, plus any interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)) or other payments the Participating TO receives or to which the Participating TO may be entitled with respect to such payment. Each Affected System Interconnection Customer will provide the Participating TO with credit assurances sufficient to meet each Affected System Interconnection Customer's estimated liability for reimbursement of the Participating TO for taxes, interest, and/or penalties under this Article 3.3.1. Such estimated liability will be stated in Appendix A.

To the extent that the Participating TO is a limited liability company and not a corporation, and has elected to be taxed as a partnership, then the following will apply: the Participating TO represents, and the Parties acknowledge, that the Participating TO is a limited liability company and is treated as a partnership for federal income tax purposes. Any payment made by Affected System Interconnection Customers to the Participating TO for Affected System Network Upgrade(s) is to be treated as an upfront payment. It is anticipated by the Parties that any amounts paid by each Affected System Interconnection Customer to the Participating TO for Affected System Network Upgrade(s) will be reimbursed to such Affected System Interconnection Customer in accordance with the terms of this Agreement, provided such Affected System Interconnection Customer fulfills its obligations under this Agreement.

3.3.2 Private Letter Ruling. At the request and expense of any Affected System Interconnection Customer(s), the Participating TO will file with the Internal Revenue Service a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by such Affected System Interconnection Customer(s) to the Participating TO under this Agreement are subject to federal income taxation. Each Affected System Interconnection Customer desiring such a request will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of such Affected System Interconnection Customer's knowledge. the Participating TO and such Affected System Interconnection Customer(s) will cooperate in good faith with respect to the submission of such request.

3.3.3 Other Taxes. Upon the timely request by any one or more Affected System Interconnection Customer(s), and at such Affected System Interconnection Customer(s)' sole expense, the Participating TO will appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Participating TO for which such Affected System Interconnection Customer(s) may be required to reimburse the Participating TO under the terms of this Agreement. Affected System Interconnection Customer(s) who requested the action will pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The requesting Affected System Interconnection Customer(s) and the Participating TO will cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount will be payable by Affected System Interconnection Customer(s) to the Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Affected System Interconnection Customer(s) will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by the Participating TO. Each Party will cooperate with the other Party to maintain each Party's tax status. Nothing in this Agreement is intended to adversely affect any Party's tax-exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds, as described in section 142(f) of the Internal Revenue Code.

ARTICLE 4 **SECURITY, BILLING, AND PAYMENTS**

4.1 Provision of Security. By the earlier of (1) thirty (30) days prior to the due date for each Affected System Interconnection Customer's first payment under the payment schedule specified in Appendix A, or (2) the first date specified in Appendix A for the ordering of equipment by the Participating TO for installing the Affected System Network Upgrade(s), each Affected System Interconnection Customer will provide the Participating TO, at each Affected System Interconnection Customer's option, a guarantee, a surety bond, letter of credit, or other form of security that is reasonably acceptable to the Participating TO. Such security for payment will be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Affected System Network Upgrade(s) and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.

The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO and contain terms and conditions that guarantee payment of any amount that may be due from such Affected System Interconnection Customer, up to an agreed-to maximum amount. The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date. The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

4.2 Invoice. Each Party will submit to the other Parties, on a monthly basis, invoices of amounts due, if any, for the preceding month. Each invoice will state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to another Party under this Agreement, including interest payments, will be netted so that only the net amount remaining due will be paid by the owing Party.

4.3 Payment. Invoices will be rendered to the paying Party at the address specified by the Parties. The Party receiving the invoice will pay the invoice within thirty (30) days of receipt. All payments will be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by a Party will not constitute a waiver of any rights or claims that Party may have under this Agreement.

4.4 Final Invoice. Within six (6) months after completion of the construction of the Affected System Network Upgrade(s) the Participating TO will provide an invoice of the final cost of the construction of the Affected System Network Upgrade(s) and will set forth such costs in sufficient detail to enable each

Affected System Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. the Participating TO will refund, with interest (calculated in accordance with 18 CFR 35.19a(a)(2)(iii)), to each Affected System Interconnection Customer any amount by which the actual payment by Affected System Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) days of the issuance of such final construction invoice.

- **4.5 Interest.** Interest on any unpaid amounts will be calculated in accordance with 18 CFR 35.19a(a)(2)(iii).

- **4.6 Payment During Dispute.** In the event of a billing dispute among the Parties, the Participating TO will continue to construct the Affected System Network Upgrade(s) under this Agreement as long as each Affected System Interconnection Customer: (1) continues to make all payments not in dispute; and (2) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If any Affected System Interconnection Customer fails to meet these two requirements, then the Participating TO may provide notice to such Affected System Interconnection Customer of a Default pursuant to Article 5. Within thirty (30) days after the resolution of the dispute, the Party that owes money to another Party will pay the amount due with interest calculated in accordance with the methodology set forth in 18 CFR 35.19a(a)(2)(iii).

- **ARTICLE 5**
BREACH, CURE, AND DEFAULT

- **5.1 Events of Breach.** A Breach of this Agreement will include the:

- (a) Failure to pay any amount when due;

- (b) Failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty, or covenant made in this Agreement;

- (c) Failure of a Party to provide such access rights, or a Party's attempt to revoke access or terminate such access rights, as provided under this Agreement; or

- (d) Failure of a Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

- **5.2 Definition.** Breaching Party will mean the Party that is in Breach.

5.3 Notice of Breach, Cure, and Default. Upon the occurrence of an event of Breach, any Party aggrieved by the Breach, when it becomes aware of the Breach, will give written notice of the Breach to the Breaching Party and to any other person representing a Party to this Agreement identified in writing to the other Party in advance. Such notice will set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

- **5.2.1** Upon receiving written notice of the Breach hereunder, the Breaching Party will have a period to cure such Breach (hereinafter referred to as the "Cure Period") which will be sixty (60) days. If an Affected System Interconnection Customer is the Breaching Party and the Breach results from a failure to provide payments or security under Article 4.1 of this Agreement, the other Affected System Interconnection Customers, either individually or in concert, may cure the Breach by paying the amounts owed or by providing adequate security, without waiver of contribution rights against the breaching Affected System Interconnection Customer. Such cure for the Breach of an Affected System Interconnection Customer is subject to the reasonable consent of the Participating TO. The Participating TO may also cure such Breach by funding the proportionate share of the Affected System Network Upgrade costs related to the Breach of Affected System Interconnection Customer. The Participating TO

must notify all Parties that it will exercise this option within thirty (30) days of notification that an Affected System Interconnection Customer has failed to provide payments or security under Article 4.1.

5.2.2 In the event the Breach is not cured within the Cure Period, the Breaching Party will be in Default of this Agreement, and the non-Defaulting Parties may (1) act in concert to amend the Agreement to remove an Affected System Interconnection Customer that is in Default from this Agreement for cause and to make other changes as necessary, or (2) either in concert or individually take whatever action at law or in equity as may appear necessary or desirable to enforce the performance or observance of any rights, remedies, obligations, agreement, or covenants under this Agreement.

5.3 **Rights in the Event of Default.** Notwithstanding the foregoing, upon the occurrence of Default, the non-Defaulting Parties will be entitled to exercise all rights and remedies it may have in equity or at law.

ARTICLE 6 TERMINATION OF AGREEMENT

6.1 **Expiration of Term.** Except as otherwise specified in this Article 6, the Parties' obligations under this Agreement will terminate at the conclusion of the term of this Agreement.

6.2 **Termination and Removal.** Subject to the limitations set forth in Article 6.3, in the event of a Default, termination of this Agreement, as to a given Affected System Interconnection Customer or in its entirety, will require a filing at FERC of a notice of termination, which filing must be accepted for filing by FERC.

6.3 **Disposition of Facilities Upon Termination of Agreement.**

6.3.1 **the Participating TO Obligations.** Upon termination of this Agreement, unless otherwise agreed to by the Parties in writing, the Participating TO:

(a) will, prior to the construction and installation of any portion of the Affected System Network Upgrade(s) and to the extent possible, cancel any pending orders of, or return, such equipment or material for such Affected System Network Upgrade(s);

(b) may keep in place any portion of the Affected System Network Upgrade(s) already constructed and installed; and,

(c) will perform such work as may be necessary to ensure the safety of persons and property and to preserve the integrity of the CAISO Controlled Grid (e.g., construction demobilization to return the system to its original state, wind-up work).

6.3.2 **Affected System Interconnection Customer Obligations.** Upon billing by the Participating TO, each Affected System Interconnection Customer will reimburse the Participating TO for its share of any costs incurred by the Participating TO in performance of the actions required or permitted by Article 6.3.1 and for its share of the cost of any Affected System Network Upgrade(s) described in Appendix A. The Participating TO will use Reasonable Efforts to minimize costs and will offset the amounts owed by any salvage value of facilities, if applicable. Each Affected System Interconnection Customer will pay these costs pursuant to Article 4.3 of this Agreement.

6.3.3 **Pre-construction or Installation.** Upon termination of this Agreement and prior to the construction and installation of any portion of the Affected System Network Upgrade(s), the Participating TO may, at its option, retain any portion of such Affected System Network Upgrade(s) not cancelled or returned in accordance with Article 6.3.1(a), in which case the Participating TO will be responsible for all costs associated with procuring such Affected System Network Upgrade(s). To the extent that an Affected System Interconnection Customer has already paid the Participating TO for any or all of such

costs, the Participating TO will refund Affected System Interconnection Customer for those payments. If the Participating TO elects to not retain any portion of such facilities, and one or more of Affected System Interconnection Customers wish to purchase such facilities, the Participating TO will convey and make available to the applicable Affected System Interconnection Customer(s) such facilities as soon as practicable after Affected System Interconnection Customer(s)' payment for such facilities.

6.4 Survival of Rights. Termination or expiration of this Agreement will not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The applicable provisions of this Agreement will continue in effect after expiration, or early termination hereof, to the extent necessary to provide for (1) final billings, billing adjustments, and other billing procedures set forth in this Agreement; (2) the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (3) the confidentiality provisions set forth in Article 8.

ARTICLE 7 SUBCONTRACTORS

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

7.1.1 Responsibility of Principal. The creation of any subcontract relationship will not relieve the hiring Party of any of its obligations under this Agreement. In accordance with the provisions of this Agreement, each Party will be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party will be equally binding upon, and will be construed as having application to, any subcontractor of such Party.

7.1.2 No Third-Party Beneficiary. Except as may be specifically set forth to the contrary herein, no subcontractor or any other party is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

7.1.3 No Limitation by Insurance. The obligations under this Article 7 will not be limited in any way by any limitation of any insurance policies or coverages, including any subcontractor's insurance.

ARTICLE 8 CONFIDENTIALITY

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

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. The Parties will maintain as confidential any information that is provided and identified by a Party as Critical Energy Infrastructure Information (CEII), as that term is defined in 18 CFR 388.113(c).

Such confidentiality will be maintained in accordance with this Article 8. If requested by the receiving Party, the disclosing Party will 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 will be responsible for the costs associated with affording confidential treatment to its information.

8.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 8 or with regard to CEII, each Party will hold in confidence and will not disclose to any person Confidential Information. CEII will be treated in accordance with FERC policies and regulations.

8.1.2 Scope. Confidential Information will 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 non-Party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 8.1.6 of this Agreement, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the receiving Party that it no longer is confidential.

8.1.3 Release of Confidential Information. No Party will release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, agents, consultants, or to non-Parties that may be or are considering providing financing to or equity participation with Affected System Interconnection Customer(s), or to potential purchasers or assignees of Affected System Interconnection Customer(s), on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 8 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person will remain primarily responsible for any release of Confidential Information in contravention of this Article 8.

8.1.4 Rights. Each Party will retain all rights, title, and interest in the Confidential Information that it discloses to the receiving Party. The disclosure by a Party to the receiving Party of Confidential Information will not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

8.1.5 Standard of Care. Each Party will use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory requirements.

8.1.6 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 any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party will provide the disclosing Party with prompt notice of such request(s) or requirement(s) so that the disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

8.1.7 Termination of Agreement. Upon termination of this Agreement for any reason, each Party will, within ten (10) Business Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the requesting Party) or return to the requesting Party any and all written or electronic Confidential Information received from the requesting Party, except that each Party may keep one copy for archival

purposes, provided that the obligation to treat it as Confidential Information in accordance with this Article 8 will survive such termination.

8.1.8 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 8. Each Party accordingly agrees that the disclosing Party will be entitled to equitable relief, by way of injunction or otherwise, if the receiving Party Breaches or threatens to Breach its obligations under this Article 8, which equitable relief will be granted without bond or proof of damages, and the Breaching Party will not plead in defense that there would be an adequate remedy at law. Such remedy will not be deemed an exclusive remedy for the Breach of this Article 8, but it will 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, will be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 8.

8.1.9 Disclosure to FERC, its Staff, or a State Regulatory Body. Notwithstanding anything in this Article 8 to the contrary, and pursuant to 18 CFR 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party will 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 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 Parties to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party will notify the other Parties to the Agreement 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 388.112. Requests from a state regulatory body conducting a confidential investigation will be treated in a similar manner if consistent with the applicable state rules and regulations.

8.1.10 Subject to the exception in Article 8.1.9, any information that a disclosing Party claims is competitively sensitive, commercial, or financial information under this Agreement will not be disclosed by the receiving Party to any person not employed or retained by the receiving Party, except to the extent disclosure is (1) required by law; (2) 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; (3) otherwise permitted by consent of the disclosing Party, such consent not to be unreasonably withheld; or (4) necessary to fulfill its obligations under this Agreement or as the Participating TO or a balancing authority, including disclosing the Confidential Information to a regional or national reliability organization. The Party asserting confidentiality will notify the receiving Party in writing of the information that Party claims is confidential. Prior to any disclosures of that Party's Confidential Information under this subparagraph, or if any non-Party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the Party that received the Confidential Information from the disclosing Party agrees to promptly notify the disclosing Party in writing and agrees to assert confidentiality and cooperate with the disclosing Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

ARTICLE 9 **INFORMATION ACCESS AND AUDIT RIGHTS**

9.1 Information Access. Each Party will make available to the other Parties information necessary to verify the costs incurred by the other Parties for which the requesting Party is responsible under this Agreement and carry out obligations and responsibilities under this Agreement, provided that the Parties will not use such information for purposes other than those set forth in this Article 9.1 and to enforce their rights under this Agreement.

9.2 Audit Rights. Subject to the requirements of confidentiality under Article 8 of this Agreement, the accounts and records related to the design, engineering, procurement, and construction of the Affected System Network Upgrade(s) will be subject to audit during the period of this Agreement and for a period of twenty-four (24) months following the Participating TO's issuance of a final invoice in accordance with Article 4.4. Affected System Interconnection Customers may, jointly or individually, at the expense of the requesting Party(ies), during normal business hours, and upon prior reasonable notice to the Participating TO, audit such accounts and records. Any audit authorized by this Article 9.2 will be performed at the offices where such accounts and records are maintained and will be limited to those portions of such accounts and records that relate to obligations under this Agreement.

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ARTICLE 10
NOTICES

10.1 General. Any notice, demand, or request required or permitted to be given by a Party to the other Parties, and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party, may be so given, tendered, or delivered, as the case may be, by depositing the same with the United States Postal Service with postage prepaid, for transmission by certified or registered mail, addressed to the Parties, or personally delivered to the Parties, at the address set out below:

- To the Participating TO:

-

To Affected System Interconnection Customers:

10.2 Billings and Payments. Billings and payments will be sent to the addresses shown in Article 10.1 unless otherwise agreed to by the Parties.

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

- To the Participating TO:

-

-

To Affected System Interconnection Customers:

10.4 Execution and Filing. Affected System Interconnection Customers will either: (i) execute two originals of this tendered Agreement and return them to the Participating TO; or (ii) request in writing that the Participating TO file with FERC this Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of this tendered Agreement (if it does not conform with a FERC-approved standard form of this Agreement) or the request to file this Agreement unexecuted, the Participating TO will file this Agreement with FERC, together with its explanation of any matters as to which Affected System Interconnection Customers and the Participating TO disagree and support for the costs that the Participating TO proposes to charge to Affected System Interconnection Customers under this Agreement. An unexecuted version of this Agreement should contain terms and conditions deemed appropriate by the Participating TO for the Affected System Interconnection Customers' generating facilities. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted version of this Agreement, they may proceed pending FERC action.

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ARTICLE 11
MISCELLANEOUS

11.1 This Agreement will include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability, and assignment, which reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, will be consistent with the provisions of this RIS.

-

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals, each of which will constitute and be an original Agreement among the Parties.

-

the Participating TO

{the Participating TO}

By: _____

Name: _____

Title: _____

-

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Affected System Interconnection Customer

{Affected System Interconnection Customer}

By: _____

Name: _____

Title: _____

-

Project No. _____

Attachment A to Appendix 14
Multiparty Affected System Facilities Construction Agreement

AFFECTED SYSTEM NETWORK UPGRADE(S), COST ESTIMATES AND RESPONSIBILITY,
CONSTRUCTION SCHEDULE, AND MONTHLY PAYMENT SCHEDULE

This Appendix A is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

1.1 Affected System Network Upgrade(s) to be installed by the Participating TO.

{description}

1.2 First Equipment Order (including permitting).

{description}

1.2.1. Permitting and Land Rights – the Participating TO Affected System Network Upgrade(s)

{description}

1.3 Construction Schedule. Where applicable, construction of the Affected System Network Upgrade(s) is scheduled as follows and will be periodically updated as necessary:

Table 3: the Participating TO Construction Activities

<u>MILESTONE</u>	<u>DESCRIPTION</u>	<u>START</u>	<u>END</u>
<u>NUMBER</u>		<u>DATE</u>	<u>DATE</u>
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-

Note: Construction schedule assumes that the Participating TO has obtained final authorizations and security from Affected System Interconnection Customers and all necessary permits from Governmental Authorities as necessary prerequisites to commence construction of any of the Affected System Network Upgrade(s).

1.4 Payment Schedule.

1.4.1 Timing of and Adjustments to Affected System Interconnection Customers' Payments and Security.

{description}

1.4.2 Monthly Payment Schedule. Affected System Interconnection Customers' payment schedule is as follows.

{description}

Table 4: Affected System Interconnection Customers' Payment/Security Obligations for Affected System Network Upgrade(s).

<u>MILESTONE NUMBER</u>	<u>DESCRIPTION</u>	<u>DATE</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

-

* Affected System Interconnection Customers' proportionate responsibility for each payment is as follows:

- Affected System Interconnection Customer 1 . %
- Affected System Interconnection Customer 2 . %
- Affected System Interconnection Customer N . %

Note: Affected System Interconnection Customers' payment or provision of security as provided in this Agreement operates as a condition precedent to the Participating TO's obligations to construct any Affected System Network Upgrade(s), and failure to meet this schedule will constitute a Breach pursuant to Article 5.1 of this Agreement.

1.5 Permits, Licenses, and Authorizations.

{description}

Attachment B to Appendix 14
Multiparty Affected System Facilities Construction Agreement

NOTIFICATION OF COMPLETED CONSTRUCTION

- This Appendix B is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO. Where applicable, when the Participating TO has completed construction of the Affected System Network Upgrade(s), the Participating TO will send notice to Affected System Interconnection Customers in substantially the form following:

- {Date}

- {Affected System Interconnection Customers Addresses}

- Re: Completion of Affected System Network Upgrade(s)

- Dear {Name or Title}:

- This letter is sent pursuant to the Multiparty Affected System Facilities Construction Agreement among {the Participating TO} and {Affected System Interconnection Customers}, dated _____, 20__.

- On {Date}, the Participating TO completed to its satisfaction all work on the Affected System Network Upgrade(s) required to facilitate the safe and reliable interconnection and operation of Affected System Interconnection Customer's generating facilities. the Participating TO confirms that the Affected System Network Upgrade(s) are in place.

- Thank you.

- {Signature}
{the Participating TO Representative}

Attachment C to Appendix 14
Multiparty Affected System Facilities Construction Agreement

EXHIBITS

This Appendix C is a part of the Multiparty Affected System Facilities Construction Agreement among Affected System Interconnection Customers and the Participating TO.

Exhibit A1
the Participating TO Site Map

Exhibit A2
Site Plan

Exhibit A3
Affected System Network Upgrade(s) Plan & Profile

Exhibit A4
Estimated Cost of Affected System Network Upgrade(s)

-

	<u>Location</u>	<u>Facilities to Be Constructed by the Participating TO</u>	<u>Estimate in Dollars</u>
-	-	-	-
-	-	<u>Total:</u>	-

Appendix ~~EELL~~

Large Generator Interconnection Agreement

for Interconnection Requests Processed under the ~~Generator Interconnection and Deliverability Allocation Procedures~~ Resource Interconnection Standards (Appendix ~~DD-KK of to~~ the CAISO Tariff)

Appendices

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group

Appendix H Interconnection Requirements for an Asynchronous Generating Facility

Appendix I Operating Assumptions for Generating Facility

LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this ____ day of _____, 20____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), _____, a corporation organized and existing under the laws of the State of California ("**Participating TO**"), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO"). Interconnection Customer, Participating TO, and CAISO each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, CAISO exercises Operational Control over the CAISO Controlled Grid; and

WHEREAS, the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and

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

WHEREAS, Interconnection Customer, Participating TO, and CAISO have agreed to enter into this LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO's Transmission System;

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

When used in this LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

Article 1. Definitions

ADNU shall mean Area Delivery Network Upgrade.

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 CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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.

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 Western Electricity Coordinating Council or its successor.~~

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the ~~Applicable Reliability Council~~Electric Reliability Organization, and the Balancing Authority Area of the Participating TO's Transmission System to which the Generating Facility is directly connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

Area Deliverability Constraint shall mean a previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

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

Area Off-Peak Constraints shall mean a transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

Asynchronous Generating Facility shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.

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

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

Base Case shall mean the base case power flow, short circuit, and stability databases used for the Interconnection Studies.

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

Breaching Party shall mean a Party that is in Breach of this LGIA.

Business Day shall mean Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid shall mean the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff shall mean the CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Commercial Operation shall mean the status of an Electric Generating Unit or project phase at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of an Electric Generating Unit or project phase shall mean the date on which the Electric Generating Unit or project phase at the Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to this LGIA, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Electric Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Electric Generating Units or project phases.

Commercial Readiness Deposit shall mean a deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) shall mean Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

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, subject to Article 22.1.2.

Current Cost Responsibility (CCR) shall mean the Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's **Interconnection Financial Security Commercial Readiness Deposit and GIA Deposit** requirements, as applicable.

Deliverability shall mean (1) The annual Net Qualifying Capacity 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. (2) The annual Maximum Import Capability of an Intertie which specifies the amount of resource adequacy capacity measured in MW, that load-serving entities collectively can procure from imports at that Intertie to meet their resource adequacy requirements.

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

Distribution System shall mean those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which this LGIA becomes effective upon execution by all 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.

Electric Reliability Organization shall mean the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

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

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

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

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

General Reliability Network Upgrade (GRNU) shall mean Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

Generating Facility shall mean the Interconnection Customer's Electric Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the Interconnection Customer's 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/or~~ the aggregate net capacity of the Generating Facility where it includes more than one Generating Unit for the multiple energy production and/or storage for later injection of electricity devices.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) shall mean the CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in CAISO Tariff Appendix DD.

Generator Interconnection Study Process Agreement (GISPA) shall mean the pro forma agreement between the ~~CAISO Interconnection Customer~~ and the Interconnection Customer CAISO for

~~the conducting of the Interconnection Studies for a proposed Generating Facility under Appendixes Y and DD.~~

~~**GIA Deposit** shall mean the deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.~~

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts 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 the Interconnection Customer, CAISO, Participating TO, or any Affiliate thereof.

~~**Governing Independent Study Process Interconnection Studies** shall mean the engineering study(ies) conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System, which shall consist primarily of a Facilities Study as described in Section 4.5 of the Generation Interconnection Procedures, a System Impact Study as described in Section 4.4 of the Generation Interconnection Procedures, or a system impact and facilities study as described in Section 4.4 of the GIDAP.~~

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which an Electric Generating Unit 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 Participating TO's Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this LGIA, 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 Participating TO's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Participating TO'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 Participating TO's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

~~**Interconnection Financial Security (IFS)** shall mean any of the financial instruments listed in Section 11.1 of the GIDAP that are posted by an Interconnection Customer to finance the construction of facilities or Network Upgrades.~~

~~**Interconnection Facilities Study Report** shall mean the report issued following completion of an Interconnection Facilities Study pursuant to Section 8 of the RIS.~~

Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the CAISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

Interconnection Reliability Network Upgrades (IRNU) shall mean Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to ~~the GIDAP Appendix KK~~, in accordance with ~~the Section 25.1 of the~~ CAISO Tariff.

Interconnection Service shall mean the service provided by the Participating TO and CAISO associated with interconnecting the Interconnection Customer's Generating Facility to the Participating TO's Transmission System and enabling the CAISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this LGIA, the Participating TO's Transmission Owner Tariff, and the CAISO Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.

- ~~(i) For Interconnection Requests processed under the cluster study process described in the GIDAP, any of the following: the Phase I Interconnection Study conducted or caused to be performed by the CAISO, the reassessment of the Phase I Interconnection Study Base Case conducted or caused to be performed by the CAISO prior to the commencement of the Phase II Interconnection Study, or the Phase II Interconnection Study conducted or caused to be performed by the CAISO, pursuant to the GIDAP.~~
- ~~(ii) For Interconnection Requests processed under the Independent Study Process described in the GIDAP, the governing study(ies) conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), pursuant to the GIDAP, which shall consist primarily of a system impact and facilities study as described in Section 4.4 of the GIDAP.~~

IRS shall mean the Internal Revenue Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility

Capacity of more than 20 MW.

LDNU shall mean Local Delivery Network Upgrades.

Local Deliverability Constraint shall mean a transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade shall mean a transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints shall mean a transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) shall mean a transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties.

Material Modification shall mean ~~those a~~ modifications that ~~has ve~~ a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position priority date.

Maximum Cost Exposure (MCE) shall mean, ~~pursuant to Appendix DD,~~ the sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its ~~Phase I or Phase II~~ Interconnection Studies.

Maximum Cost Responsibility (MCR) shall mean, ~~pursuant to Appendix DD,~~ the ~~lower~~ sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from ~~its Phase I or Phase II~~ Interconnection Facilities Studies, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer or a third party pursuant to Article 5.1.5 of this LGIA, Section 14.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Metering Equipment shall mean all metering equipment installed or to be installed for measuring the output of the Generating Facility pursuant to this LGIA 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.

Net Scheduled Generating Unit shall mean an Electric Generating Unit identified in a Net Scheduled PGA operated as a single unit such that the energy bid or self-schedule with the CAISO is the net value of the aggregate electrical net output of the Electric Generating Unit and the self-provided load.

Net Scheduled PGA shall mean a Net Scheduled Participating Generator Agreement specifying the special provisions for the operating relationship between a Net Scheduled Generating Unit and the CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO Tariff.

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

Off-Peak Deliverability Constraints shall mean a transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades shall mean Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operational Control shall mean the rights of the CAISO under the Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Option (A) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (A) as the Deliverability option under Section 7.2 of ~~the GIDAP~~ Appendix DD or KK.

Option (B) Generating Facilities shall mean a Generating Facility for which the Interconnection Customer has selected Option (B) as the Deliverability option under Section 7.2 of Appendix DD or KK ~~the GIDAP~~.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the CAISO Controlled Grid. Participating TO Delivery Network Upgrades can be either ADNU or LDNU.

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

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and ~~Applicable Reliability Council~~ Electric Reliability Organization practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's ~~Applicable Reliability Council~~ Electric Reliability Organization rating. Participating TO's Reliability Network Upgrades do not include any Participating TO's Delivery Network Upgrades.

Participating TO's Transmission System shall mean the facilities owned and operated by the

Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Party or Parties shall mean the Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

~~**Phase I Interconnection Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment (as defined in the CAISO Tariff), and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the GIDAP. The study will also identify the approximate total costs, based on per unit 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/Interconnection Facilities Study** shall mean a study conducted by the Participating TO(s), CAISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), as identified in the Cluster Study, the cost of those facilities, and the time required to interconnect the Generating Facility with the CAISO Controlled Grid. The scope of the study is defined in Section 8 of the RIS (Appendix KK) an engineering and operational study conducted or caused to be performed by the CAISO in coordination with the applicable Participating TO(s), to determine the Point of Interconnection and a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility(ies) with the Participating TO's Transmission System.~~

Phased Generating Facility shall mean a Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this LGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Generating Facility.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) shall mean Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

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

RNU shall mean Reliability Network Upgrades.

Reliability Network Upgrades (RNU) shall mean the transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or

more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) shall mean Appendix KK to the CAISO Tariff.

Scoping Meeting shall mean the meeting among representatives of the Interconnection Customer, the applicable Participating TO(s), ~~other Affected Systems,~~ and the CAISO conducted for the purpose of discussing the proposed Interconnection Request and any alternative interconnection options, ~~to-exchanging~~ information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, refining information and models provided by Interconnection Customer(s), discussing the Cluster Study materials posted to OASIS pursuant to Section 3.5 of this GIDAP, and ~~to-analyzing~~ such information, ~~and to determine the potential feasible Points of Interconnection.~~

Site Control shall mean the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Stand Alone Network Upgrades shall mean Network Upgrades that are not part of an Affected System that the Interconnection Customer may construct without affecting day-to-day operations of the CAISO Controlled Grid or Affected Systems during their construction. The Participating TO, the CAISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA. If the CAISO, the Participating TO, and the Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the CAISO or Participating TO must provide the Interconnection Customer a written technical explanation outlining why it does not consider the Network Upgrade to be a Stand Alone Network Upgrade within fifteen (15) days of its determination.

Surplus Interconnection Service shall mean any unneeded portion of Interconnection Service Capacity established herein, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service Capacity at the Point of Interconnection would remain the same.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, that protects (1) the Participating TO's Transmission System, Participating TO's Interconnection Facilities, CAISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the CAISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems or on other delivery systems or other generating systems to which the CAISO Controlled Grid is directly connected.

TP Deliverability shall mean the capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

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

Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.

Variable Energy Resource shall mean a device for the production of electricity that is characterized by an Energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

Withdrawal Penalty shall mean the penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Article 2. Effective Date, Term and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by all Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. The CAISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

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

2.3 Termination Procedures.

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

2.3.2 Default. A Party may terminate this LGIA in accordance with Article 17.

2.3.3 Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16, if applicable.

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

2.4 Termination Costs. Immediately upon the other Parties' receipt of a notice of the termination of this LGIA pursuant to Article 2.3 above, the CAISO and the Participating TO will determine the total cost responsibility of the Interconnection Customer. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already paid its share of Network Upgrade costs, as set forth in Appendix G to this LGIA, the Participating TO will liquidate the Interconnection Customer's Interconnection Financial Security_GIA Deposit associated with its cost responsibility for Network Upgrades, in accordance with Section 11.43.8 of the GIDAP.

The Interconnection Customer will also be responsible for all costs incurred or irrevocably

committed to be incurred in association with the construction of the Participating TO's Interconnection Facilities (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other such expenses, including any Distribution Upgrades for which the Participating TO or CAISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already reimbursed the Participating TO and the CAISO for costs incurred to construct the Participating TO's Interconnection Facilities, the Participating TO will liquidate the Interconnection Customer's ~~Interconnection Financial Security GIA Deposit~~ associated with the construction of the Participating TO's Interconnection Facilities, in accordance with Section 44.43.8 of the GIDAP. If the amount of the ~~GIA Deposit Interconnection Financial Security~~ liquidated by the Participating TO under this Article 2.4 is insufficient to compensate the CAISO and the Participating TO for actual costs associated with the construction of the Participating TO's Interconnection Facilities contemplated in this Article, any additional amounts will be the responsibility of the Interconnection Customer, subject to the provisions of Section 44.43.8 of the GIDAP. Any such additional amounts due from the Interconnection Customer beyond the amounts covered by its ~~GIA Deposit Interconnection Financial Security~~ will be due to the Participating TO immediately upon termination of this LGIA in accordance with Section 44.43.8 of the GIDAP.

If the amount of the ~~GIA Deposit Interconnection Financial Security~~ exceeds the Interconnection Customer's cost responsibility under Section 44.43.8 of the GIDAP, any excess amount will be released to the Interconnection Customer in accordance with Section 44.43.8 of the GIDAP.

- 2.4.1** Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.
- 2.4.2** The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5** **Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All

costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings and CAISO Tariff Compliance

- 3.1 Filing.** The Participating TO and the CAISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the Participating TO and CAISO with respect to such filing and to provide any information reasonably requested by the Participating TO or CAISO needed to comply with applicable regulatory requirements.
- 3.2 Agreement Subject to CAISO Tariff.** The Interconnection Customer will comply with all applicable provisions of the CAISO Tariff, including the GIDAP.
- 3.3 Relationship Between this LGIA and the CAISO Tariff.** With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the CAISO Tariff and dictates rights and obligations between the CAISO and the Participating TO or the CAISO and the Interconnection Customer, the CAISO Tariff shall govern.
- 3.4 Relationship Between this LGIA and the Net Scheduled PGA.** With regard to the rights and obligations of a Net Scheduled Generating Unit that has entered into a Net Scheduled PGA with the CAISO and has entered into this LGIA, if and to the extent a matter is specifically addressed by a provision of the Net Scheduled PGA that is inconsistent with this LGIA, the terms of the Net Scheduled PGA shall govern.

Article 4. Scope of Service

- 4.1 Interconnection Service.** Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Participating TO's Transmission System and be eligible to deliver the Large Generating Facility's output using the available capacity of the CAISO Controlled Grid. To the extent the Interconnection Customer wants to receive Interconnection Service, the Participating TO shall construct facilities identified in Appendices A and C that the Participating TO is responsible to construct.

Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the CAISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on the CAISO Controlled Grid, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the CAISO Tariff in the same manner as all other resources. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

- 4.2 Provision of Service.** The Participating TO and the CAISO shall provide Interconnection Service for the Large Generating Facility.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the CAISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission service under the CAISO Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.
- 4.6 TP Deliverability.** To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the GIDAP, the Interconnection Customer's retention of such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the GIDAP. In the event that the Interconnection does not retain allocated TP Deliverability with regard to any portion of the Generating Facility, such portion of the Generating Facility shall be deemed to receive Interconnection Service under this LGIA as Energy Only Deliverability Status.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the CAISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.

- 5.1 Options.** Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option, Alternate Option, or, if eligible, Merchant Option, set forth below, Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, the Interconnection Customer shall indicate whether it elects the Option to Build set forth in Article 5.1.3 below. If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, they shall so notify the Interconnection Customer within thirty (30) calendar days. Upon receipt of the notification that the Interconnection Customer's designated dates are not acceptable to the CAISO and Participating TO, the Interconnection Customer shall notify the CAISO and Participating TO within thirty (30) calendar days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.
- 5.1.1 Standard Option.** The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Participating TO reasonably expects

that it will not be able to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the specified dates, the Participating TO shall promptly provide written notice to the Interconnection Customer and the CAISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

- 5.1.2 Alternate Option.** If the dates designated by the Interconnection Customer are acceptable to the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities by the designated dates.

If the Participating TO subsequently fails to complete the Participating TO's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; the Participating TO shall pay the Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by the Interconnection Customer shall be extended day for day for each day that the CAISO refuses to grant clearances to install equipment.

- 5.1.3 Option to Build.** Individual or Multiple ~~The~~ Interconnection Customer(s) shall have the option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the requirements of this Article 5.1.3 are met. When multiple Interconnection Customers exercise this option, multiple Interconnection Customers may agree to exercise this option provided (1) all the Participating TO's Interconnection Facilities and Stand Alone Network upgrades constructed under this option are only required for Interconnection Customers in a single Cluster and (2) all impacted Interconnection Customers execute and provide to the CAISO and Participating TO an agreement regarding responsibilities and payment for the construction of Participating TO's Interconnection Facilities and Stand Alone Network Upgrades planned to be built under this option. The Participating TO, CAISO, and the Interconnection Customer or each of the multiple Interconnection Customers must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, the Interconnection Customer shall have no right to construct Network Upgrades under this option.

- 5.1.4 Negotiated Option.** If the dates designated by the Interconnection Customer are not acceptable to the CAISO and Participating TO, the Parties shall in good faith attempt to negotiate terms and conditions, including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3. If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), the Participating TO shall assume responsibility for the design, procurement and construction of all facilities other than the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

- 5.1.5 Merchant Option.** In addition to any Option to Build set forth in Article 5.1.3 of this LGIA, an Interconnection Customer having an Option (B) Generating Facility may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU for which the Interconnection Customer has the obligation to fund and which are not subject to reimbursement. Such LDNU and ADNU will be constructed and

incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11

5.2 General Conditions Applicable to Option to Build. If the Interconnection Customer assumes responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, or assumes responsibility for any stand-alone task, such as telecommunications, environmental, or real-estate related work:

(1) within six (6) months of the execution of this LGIA, or at a later date agreed to by the Parties, the Interconnection Customer will submit to the CAISO and the Participating TO a milestone schedule for the design, procurement, and construction of the Stand Alone Network Upgrades, or any stand-alone task assumed by the Interconnection Customer. The milestone schedule will be required to support the Interconnection Customer's Commercial Operation Date, and any Appendix B Milestones will be amended to include the milestone schedule for the Stand Alone Network Upgrades;

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

(3) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which the Participating TO would be subject in the engineering, procurement or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(4) the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the CAISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(5) prior to commencement of construction, the Interconnection Customer shall provide to the Participating TO, with a copy to the CAISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from the Participating TO;

(6) at any time during construction, the Participating TO shall have the right to gain unrestricted access to the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(7) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(8) the Interconnection Customer shall indemnify the CAISO and Participating TO for claims arising from the Interconnection Customer's construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and

procedures applicable to Article 18.1 Indemnity;

(9) The Interconnection Customer shall transfer control of the Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the CAISO;

(10) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;

(11) the Participating TO shall accept for operation and maintenance the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(12) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by the Participating TO to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by the Participating TO.

(13) If the Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, the Interconnection Customer shall pay the Participating TO the agreed upon amount of \$_____ for Participating TO to execute the responsibilities enumerated to it under Article 5.2. The Participating TO will invoice the Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

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

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

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the CAISO and/or Participating TO, action or inaction by the CAISO, or any cause beyond the Participating TO's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

In no event shall the CAISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the ~~Applicable Reliability Council~~ Electric Reliability Organization, and the provisions of Section 4.6.5.1 of the CAISO Tariff. The CAISO reserves the right to establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible. The CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this Article 5.4 shall apply to Asynchronous Generating Facilities in accordance with Appendix H.

5.5 Equipment Procurement. If responsibility for construction of the Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the Participating TO, then the Participating TO shall commence design of the Participating TO's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The CAISO, in coordination with the applicable Participating TO(s), has completed the ~~Phase II Interconnection Study~~ Interconnection Facilities Study or Governing Independent Study ~~Interconnection Study~~ pursuant to the applicable Generator Interconnection Study Process Agreement or other applicable study process agreement;

5.5.2 The Participating TO has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 The Interconnection Customer has provided security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. The Participating TO shall commence construction of the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Participating TO's Interconnection Facilities and Network Upgrades;
- 5.6.3** The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and CAISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and CAISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.
- 5.10.1 Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** In addition to the Interconnection Customer's responsibility to submit technical data with its Interconnection Request as required by Section 3.5.1 of the GIDAP, the Interconnection Customer shall submit all remaining necessary specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. The Participating TO and the CAISO shall review such specifications pursuant to this LGIA and the GIDAP to ensure that the Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the CAISO and comment on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

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

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

5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.

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

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

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable

agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** Participating TO and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorization that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** The Interconnection Customer may request the Participating TO to construct, and the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** The Interconnection Customer may request to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the ~~Phase II Interconnection Study~~ Interconnection Facilities Study as common to multiple generating facilities. Interconnection Customers seeking to suspend construction will provide the CAISO and Participating TO a request for assessment pursuant to Section 6.7.2 of the GIDAP, a modification assessment deposit, and an anticipated end date of the suspension. Interconnection Customers may request a suspension for the maximum amount of time in lieu of providing an anticipated end date. The CAISO and Participating TO will approve suspension requests where:
- (a) the Participating TO's electrical system and the CAISO Controlled Grid can be left in a safe and reliable condition in accordance with Good Utility Practice, the Participating TO's safety and reliability criteria, and Applicable Reliability Standards; and
 - (b) the CAISO and Participating TO determine the suspension will not result in a Material Modification.

During suspension, the Interconnection Customer may request to extend or shorten their suspension period, consistent with the maximum period provided in this Article. The CAISO and

Participating TO will approve such requests where they meet criteria (a) and (b), above. Requests to extend or shorten extensions will require a new modification assessment request and deposit. The Interconnection Customer shall be responsible for all reasonable and necessary costs for suspension for which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

Network Upgrades common to multiple generating facilities, and to which the Interconnection Customer's right of suspension shall not extend, consist of Network Upgrades identified for:

- (i) generating facilities which are the subject of all Interconnection Requests made prior to the Interconnection Customer's Interconnection Request;
- (ii) generating facilities which are the subject of Interconnection Requests within the Interconnection Customer's queue cluster; and
- (iii) generating facilities that are the subject of Interconnection Requests that were made after the Interconnection Customer's Interconnection Request but no later than the date on which the Interconnection Customer's ~~Phase II Interconnection Study~~ Interconnection Facilities Study Report is issued, and have been modeled in the Base Case at the time the Interconnection Customer seeks to exercise its suspension rights under this Article.

The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA in time to ensure that the new projected Commercial Operation Date for the full Generating Facility Capacity of the Large Generating Facility is no more than three (3) years from the Commercial Operation Date identified in Appendix B hereto, this LGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Article 2.4 of this LGIA. The suspension period shall begin on the date the Interconnection Customer provides in its request, if approved. Ninety (90) days before the anticipated end date of the suspension, the Participating TO and the CAISO will tender an amended draft LGIA with new construction milestones. The Parties agree to negotiate the amended draft LGIA in good faith such that it can be executed by the end of the suspension.

Interconnection Customer subject to Section 8.9.2.2 of Appendix DD may not request suspension.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by the Interconnection Customer to the Participating TO for the installation of the Participating TO's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as a refundable advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, the Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to

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

At the Participating TO's request, the Interconnection Customer shall provide the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. The Participating TO represents and covenants that the cost of the Participating TO's Interconnection Facilities paid for by the Interconnection Customer without the possibility of refund or credit will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequence of Current Tax Liability Imposed Upon the Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless the Participating TO from the cost consequences of any current tax liability imposed against the Participating TO as the result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by the Participating TO. The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation; provided, however, that the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

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

5.17.4 Tax Gross-Up Amount. The Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that the Interconnection Customer will pay the Participating TO, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on the Participating TO ("Current Taxes") on the excess of (a) the

gross income realized by the Participating TO as a result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Participating TO to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

5.17.5 Private Letter Ruling or Change or Clarification of Law. At the Interconnection Customer's request and expense, the Participating TO shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by the Interconnection Customer to the Participating TO under this LGIA are subject to federal income taxation. The Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of the Interconnection Customer's knowledge. The Participating TO and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.

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

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

5.17.7 Contests. In the event any Governmental Authority determines that the Participating TO's receipt of payments or property constitutes income that is subject to taxation, the

Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. The Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

The Interconnection Customer shall pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.

At any time during the contest, the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding paragraph. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

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

(i) any payment made by Interconnection Customer under this Article 5.17 for

taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by the Interconnection Customer to the Participating TO for such taxes which the Participating TO did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by the Interconnection Customer to the date the Participating TO refunds such payment to the Interconnection Customer, and

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

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

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

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Parties' tax status. Nothing in this LGIA is intended to adversely affect the CAISO's or any Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. The Interconnection Customer or the Participating TO may undertake modifications to its facilities, subject to Section 25.1(c) and Section 25 of the CAISO Tariff

if the Interconnection Customer has achieved its Commercial Operation Date, and subject to Section 6.7.2 of Appendix ~~DD-KK~~ if it has not.

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

~~Notwithstanding Section 7.5 of Appendix DD, at any time after achieving its Commercial Operation Date, the Interconnection Customer may reduce the megawatt generating capacities of its Generating Facilities, subject to Section 25.1(c) of the CAISO Tariff. Section 7.5.11 of Appendix DD will still apply to such requests to reduce capacity.~~

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

5.19.3 Modification Costs. The Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that the Participating TO makes to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under the CAISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5.20 Annual Reassessment Process. In accordance with Section 7.4 of the GIDAP, the CAISO will perform an annual reassessment, as part of a queue cluster interconnection study cycle, in which it will update certain base case data ~~prior to beginning the GIDAP Phase II Interconnection Studies~~. As set forth in Section 7.4, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed generator interconnection agreements should be modified in order to reflect the current circumstances of interconnection customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent TPP cycle. To the extent that this determination modifies the scope or characteristics of, or the cost responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades set forth in Appendix A to this LGIA, such modification(s) will be reflected through an amendment to this LGIA.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Participating TO shall test the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each

Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Parties at least fourteen (14) Calendar Days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the ~~Applicable Reliability Council~~Electric Reliability Organization requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 of the CAISO Tariff. Unless otherwise agreed by the Participating TO and the Interconnection Customer, the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of any Electric Generating Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at the CAISO's or Participating TO's option for its respective Metering Equipment, compensated to, the Point of Interconnection. The CAISO shall provide metering quantities to the Interconnection Customer upon request in accordance with the CAISO Tariff by directly polling the CAISO's meter data acquisition system. The Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the CAISO-pollled meters or the Participating TO's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except in the case that no other means are available on a temporary basis at the option of the CAISO or the Participating TO. The check meters shall be subject at all reasonable

times to inspection and examination by the CAISO or Participating TO or their designees. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Participating TO Retail Metering.** The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.

Article 8. Communications

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

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the CAISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.

Telemetry to the CAISO shall be provided in accordance with the CAISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.

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

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

- 8.4 Provision of Data from a Variable Energy Resource.** The Interconnection Customer whose Generating Facility ~~is a~~ contains at least one Variable Energy Resource shall provide meteorological and forced outage data to the CAISO to the extent necessary for the CAISO's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the CAISO with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the CAISO with site-specific

meteorological data including: temperature, atmospheric pressure, and irradiance. The CAISO and Interconnection Customer whose Generating Facility ~~is-contains~~ a Variable Energy Resource shall mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility ~~is-contains~~ a Variable Energy Resource also shall submit data to the CAISO regarding all forced outages to the extent necessary for the CAISO's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the CAISO, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the CAISO. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

Article 9. Operations

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the ~~Applicable Reliability Council~~Electric Reliability Organization requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Balancing Authority Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the CAISO and Participating TO in writing of the Balancing Authority Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.
- 9.3 CAISO and Participating TO Obligations.** The CAISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The CAISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and CAISO operating protocols and procedures as they may change from time to time. The Participating TO and CAISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval

shall not be unreasonably withheld, for operation of such Electric Generating Unit.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the CAISO Controlled Grid.

9.6 Reactive Power and Primary Frequency Response.

9.6.1 Power Factor Design Criteria. For all Generating Facilities other than Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all generators in the Balancing Authority Area on a comparable basis. ~~For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with Appendix H of this LGIA, except in the following cases: (a) an Interconnection Customer posts Interconnection Financial Security for an Asynchronous Generating Facility pursuant to Appendix DD of the CAISO Tariff Section 11.2.2 on or after September 21, 2016; or (b) an Interconnection Customer that submits an Interconnection Request for an Asynchronous Generating Facility under the Fast Track Process pursuant to Appendix DD of the CAISO Tariff on or after September 21, 2016.~~

~~When an~~ An Interconnection Customer ~~posts Interconnection Financial Security for an Asynchronous Generating Facility pursuant to Appendix DD of the CAISO Tariff on or after September 21, 2016, the Interconnection Customer~~ will design the Large Generator Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

~~When an Interconnection Customer submits an Interconnection Request for an Asynchronous Generating Facility under the Fast Track Process pursuant to Appendix DD of the CAISO Tariff on or after September 21, 2016, the Interconnection Customer will design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.~~

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized an Electric Generating Unit with the CAISO Controlled Grid, the CAISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). CAISO's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such

schedules at least one (1) day in advance, and the CAISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the CAISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the CAISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the CAISO and the Participating TO.

9.6.2.1 Voltage Regulators. Whenever an Electric Generating Unit is operated in parallel with the CAISO Controlled Grid and voltage regulators are capable of operation, the Interconnection Customer shall operate the Electric Generating Unit with its voltage regulators in automatic operation. If the Electric Generating Unit's voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Electric Generating Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the CAISO Controlled Grid or trip any Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.3 Payment for Reactive Power. CAISO is required to pay the Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from an Electric Generating Unit when the CAISO requests the Interconnection Customer to operate its Electric Generating Unit outside the range specified in Article 9.6.1, provided that if the CAISO pays other generators for reactive power service within the specified range, it must also pay the Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the CAISO and Interconnection Customer have otherwise agreed.

9.6.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Electric Generating Unit(s) by installing, maintaining, and operating a functioning governor or equivalent controls. The term "functioning governor or equivalent controls" as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Electric Generating Unit's real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability

Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Electric Generating Unit(s), and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Electric Generating Units' real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Electric Generating Units' real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Electric Generating Unit(s) has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Electric Generating Unit(s) with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) consistent with the provisions specified in [articles Sections 9.6.4.1 and 9.6.4.2](#) of this LGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.

9.6.4.1 Governor or Equivalent Controls. Whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Electric Generating Unit(s) with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall, in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If Interconnection Customer needs to operate the Electric Generating Unit(s) with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Electric Generating Units' governor or equivalent controls to a minimum whenever the Electric Generating Unit(s) is operated in parallel with the CAISO Controlled Grid.

9.6.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Electric Generating Units' real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Electric Generating Unit(s) has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or

regulatory requirements. The Electric Generating Unit(s) shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

9.6.4.3 Exemptions. Large Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from ~~Sections-articles~~ 9.6.4, 9.6.4.1, and 9.6.4.2 of this LGIA. Large Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in ~~Section-article~~ 9.6.4, but shall be otherwise exempt from the operating requirements in ~~Sections-articles~~ 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this LGIA.

9.6.4.4 Electric Storage Resources. Interconnection Customer interconnecting a Generating Facility that contains an electric storage resource shall establish an operating range in Appendix C of this LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in ~~Sections-articles~~ 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.3 of this LGIA. Appendix C shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with ~~Section-article~~ 9.6.4.2 of this LGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission system or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. The CAISO shall post scheduled outages of CAISO Controlled Grid facilities in accordance with the provisions of the CAISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the CAISO in accordance with the CAISO Tariff. The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO. The CAISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance in accordance with the CAISO Tariff. The Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

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

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

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

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the CAISO Controlled Grid, subject to any conditions specified in this LGIA;

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

9.7.2.4 Except during the existence of an Emergency Condition, the CAISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The CAISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the CAISO, and the Participating TO;

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

9.7.3 **Under-Frequency and Over-Frequency Conditions Ride Through Capability and Performance.** The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by Applicable Reliability Standards and the ~~Applicable Reliability Council~~ Electric Reliability Organization in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by Applicable Reliability Standards and the ~~Applicable Reliability Council~~ Electric Reliability Organization to ensure frequency "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The Interconnection Customer also will implement under-voltage and over-voltage relay set points, or equivalent electronic controls, as required by the Electric Reliability Organization to ensure voltage "ride through" capability of the CAISO Controlled Grid. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency, ~~and over-frequency,~~ under-voltage, and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other Generating Facilities in the Balancing Authority Area on a comparable basis. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through reliability standards, the non-synchronous Large Generating Facility must ensure that, within any physical limitations of the Large Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels, unless reactive power priority mode is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4)

return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Standards, ~~Applicable Reliability Council~~Electric Reliability Organization criteria, and Good Utility Practice.

9.7.4.3 The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.

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

9.7.4.5 The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.

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

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating

TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the CAISO Controlled Grid could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or ~~Applicable Reliability Council~~Electric Reliability Organization standard. In the event of a conflict among ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or ~~Applicable Reliability Council~~Electric Reliability Organization standard, the alternative Applicable Reliability Standard or ~~Applicable Reliability Council~~Electric Reliability Organization standard shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Parties a copy of its switching and tagging rules that are applicable to the other Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the CAISO Controlled Grid by

gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

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

Article 11. Performance Obligation

- 11.1 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Participating TO's Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, except for Stand Alone Network Upgrades, which will be constructed, and if agreed to by the Parties owned by the Interconnection Customer, and Merchant Network Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Network Upgrades shall be funded by the Interconnection Customer, which for Interconnection

Customers processed under Section 6 of the GIDAP (in Queue Clusters) shall be in an amount determined pursuant to the methodology set forth in Section 6.3 of the GIDAP. This specific amount is set forth in Appendix G to this LGIA. For costs associated with Area Delivery Network Upgrades, any amounts set forth in Appendix G will be advisory estimates only, and will not operate to establishing any cap or Maximum Cost Exposure on the cost responsibility of the Interconnection Customer for Area Delivery Network Upgrades.

- 11.4 Transmission Credits.** No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 11.4.1, and/or (b) decline all or part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 11.4.1.

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

11.4.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

~~An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 5 or earlier, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing upon the Commercial Operation Date of its Generating Facility.~~

An Interconnection Customer with a non-Phased Generating Facility ~~in Queue Cluster 6 or later, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered an Interconnection Agreement before December 19, 2014,~~ shall be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Generating Facility, commencing upon the Commercial Operation Date of the Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 11.4.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades as set forth in Appendix G, up to a maximum amount established in Section 14.3.2.1 of the ~~GIDAP~~ **PRIS**. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.

- (b) For Local Delivery Network Upgrades:
- i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the GIDAPRIS, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by the Interconnection Customer for Local Delivery Network Upgrades
 - ii. If the Generating Facility is an Option (B) Generating Facility and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the costs of Local Delivery Network Upgrades.
 - iii. If the Generating Facility is an Option (A) Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.
- (c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network Upgrades.
- (d) If an Interconnection Customer having a Option (B) Generating Facility, and is eligible, to construct and own Network Upgrades pursuant to the Merchant Option set forth in Article 5.15 of this LGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this LGIA.
- (e) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible, as set forth in Appendix G.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 11.4.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the

Interconnection Customer shall cease as of the date of termination.

- (f) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, ~~GLA Deposit~~~~Interconnection Financial Security~~, and repayment will be conducted pursuant to Section 14.4.1 of the ~~GIDAPRIS~~, and set forth in Appendix G.

11.4.1.2 **Repayment of Amounts Advanced Regarding Phased Generating Facilities**

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the Interconnection Customer's contribution to the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, as set forth in Appendix G, subject to the limitations specified in Article 11.4.1.1, if the following conditions are satisfied as described below:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the LGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the LGIA;
- (d) The phase has achieved Commercial Operation and the Interconnection Customer has tendered notice of the same pursuant to this LGIA;
- (e) All Parties to the LGIA have confirmed that the completed phase meets the requirements set forth in this LGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in this LGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the ~~Interconnection Financial Security~~~~security~~ required for the Network Upgrades for all the phases of the Generating Facility (or if less than one hundred (100) percent has been posted, then all required Financial Security Instruments to the date of commencement of repayment).

~~Following satisfaction of these conditions (a) through (g), an Interconnection Customer in a Queue Cluster earlier than Queue Cluster 5, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to receive a partial repayment of its financed cost responsibility, to the extent that it is otherwise eligible for such repayment per Article 11.4.1.1, in an amount equal to the percentage of the Generating Facility declared to be in Commercial Operation multiplied by the cost of the Network Upgrades associated with the completed phase. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed.~~

Following satisfaction of these conditions (a) through (e) and (g), an

Interconnection Customer ~~in Queue Cluster 6 or a later Queue Cluster, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered a Generator Interconnection Agreement before December 19, 2014,~~ shall be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

A reduction in the electrical output (MW capacity) of the Generating Facility pursuant to the CAISO Tariff shall not diminish the Interconnection Customer's right to repayment pursuant to this LGIA Article 11.4.1.2. If the LGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 11.4.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then breaches the LGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the Breach against any repayments made for Network Upgrades related to the completed phases.

Any repayment amount provided pursuant to this Article 11.4.1.2 shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable as provided for in this Article 11.4.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

11.4.1.3 Interest Payments and Assignment Rights

Any phased or non-phased repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this LGIA is in effect. The Interconnection Customer may assign such repayment rights to any entity.

11.4.1.4 Failure to Achieve Commercial Operation

If the Large Generating Facility fails to achieve Commercial Operation, but it or another generating facility is later constructed and makes use of the Network Upgrades, the Participating TO shall at that time reimburse Interconnection

Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying and demonstrating to the Participating TO the appropriate entity to which reimbursement must be made in order to implement the intent of this reimbursement obligation.

11.4.2 Special Provisions for Affected Systems. The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the GIDAPRIS. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System. In the event the Participating TO is a joint owner with an Affected System or with any other co-owner of a facility affected by the Large Generating Facility, the Participating TO's obligation to reimburse the Interconnection Customer for payments made to address the impacts of the Large Generating Facility on the system shall not exceed the proportionate amount of the cost of any upgrades attributable to the proportion of the jointly-owned facility owned by the Participating TO.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, Congestion Revenue Rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements, merchant transmission Congestion Revenue Rights in accordance with Section 36.11 of the CAISO Tariff, or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 ~~Provision of Interconnection Financial Security. The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 11 of the GIDAP in a manner acceptable under Section 11 of the GIDAP. Failure by the Interconnection Customer to timely satisfy the GIDAP's requirements for the provision of Interconnection Financial Security shall be deemed a breach of this Agreement and a condition of Default of this Agreement. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer will provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment, as specified in Appendix B of this LGIA, will be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the CAISO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and will be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Appendix B of this LGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.~~

11.5.1 Notwithstanding any other provision of this Agreement for notice of Default and

opportunity to cure such Default, the CAISO or the Participating TO shall provide the Interconnection Customer with written notice of any Default due to timely failure to post ~~Interconnection Financial Security~~security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required ~~Interconnection Financial Security~~security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed terminated.

11.6 Interconnection Customer Compensation. If the CAISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. The CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the CAISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

12.2 Final Invoice. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. With respect to costs associated with the Participating TO's Interconnection Facilities and Distribution Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice. With respect to costs associated with Network Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs, as set forth in Appendix G to this LGIA within thirty (30) Calendar Days of the issuance of such final construction invoice. In the event the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs exceed the Interconnection Customer's actual payment for estimated costs, then the Participating TO shall recover such difference through its transmission service rates.

12.3 Payment. Invoices shall be rendered to the Interconnection Customer at the address specified in

Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.

- 12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the CAISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the CAISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

Article 13. Emergencies

13.1 [Reserved]

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the CAISO, NERC, the ~~Applicable Reliability Council~~Electric Reliability Organization, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this LGIA.

- 13.3 Notice.** The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Participating TO's Interconnection Facilities or Distribution System or the CAISO Controlled Grid, respectively, that may reasonably be expected to affect the Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the CAISO Controlled Grid or the Participating TO's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the CAISO may be publicly posted on the CAISO's internet web site.

- 13.4 Immediate Action.** Unless, in the Interconnection Customer's reasonable judgment, immediate action is required, the Interconnection Customer shall obtain the consent of the CAISO and the Participating TO, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition declared by the Participating TO or CAISO or in response to any other emergency condition.

13.5 CAISO and Participating TO Authority.

- 13.5.1 General.** The CAISO and Participating TO may take whatever actions or inactions, including issuance of dispatch instructions, with regard to the CAISO Controlled Grid or

the Participating TO's Interconnection Facilities or Distribution System they deem necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the CAISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System, (iii) limit or prevent damage, and (iv) expedite restoration of service.

The Participating TO and the CAISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the CAISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the CAISO's Dispatch Instructions and Operating Instructions and Participating TO's dispatch instructions or Operating Instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

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

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

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Laws

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.

14.2 Governing Law.

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

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

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

Article 15. Notices

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

A Party must update the information in Appendix F as information changes. A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.

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

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

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

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of

Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default.

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party. Upon a Breach, the affected non-Breaching Party(ies) shall give written notice of such Breach to the Breaching Party. Except as provided in Articles 11.5.1 and 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein, the affected non-Breaching Party(ies) shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this LGIA, to recover from the Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

17.2 Violation of Operating Assumptions for Generating Facilities. If the CAISO and Participating TO require the Interconnection Customer to memorialize the operating assumptions for the charging behavior of a Generating Facility that includes at least one electric storage resource in Appendix I of this LGIA, the CAISO may consider Interconnection Customer to be in Breach of the LGIA if Interconnection Customer fails to operate the Generating Facility in accordance with those operating assumptions for charging behavior. However, if Interconnection Customer operates contrary to the operating assumptions for charging behavior specified in Appendix I of this LGIA at the direction of the CAISO, the CAISO will not consider Interconnection Customer in Breach of this LGIA.

Article 18. Indemnity, Consequential Damages, and Insurance

18.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all Losses arising out of or resulting from another Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

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

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

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

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

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

18.2 Consequential Damages. Other than the liquidated damages heretofore described in Article 5.3, in no event shall any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. As indicated below, the designated Party shall, at its own expense, maintain in force throughout the periods noted in this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of any insurance required to be carried by the CAISO, the State of California:

18.3.1 Workers' Compensation Insurance and Employers' Liability. The Participating TO and the Interconnection Customer shall maintain such coverage from the

commencement of any Construction Activities providing statutory benefits for Workers Compensation coverage and coverage amounts of no less than One Million Dollars (\$1,000,000) for employer's liability for each employee for bodily injury by accident and One Million Dollars (\$1,000,000) for each employee for bodily injury by disease in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The Participating TO shall provide the Interconnection Customer with evidence of such insurance coverage within thirty (30) Calendar Days of any request by the Interconnection Customer. The Interconnection Customer shall provide evidence of such insurance thirty (30) Calendar Days prior to entry by any employee or contractor or other person acting on the Interconnection Customer's behalf onto any construction site to perform any work related to the Interconnection Facilities or Generating Facility.

18.3.2 Commercial General Liability Insurance. The Participating TO and the Interconnection Customer shall maintain commercial general liability insurance coverage commencing within thirty (30) Calendar Days of the Effective Date of this LGIA, including coverage for premises and operations, bodily injury (including death), personal injury, property damage, products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, and (i) liability of Participating TO and the Interconnection Customer that would be imposed without the LGIA, or (ii) liability assumed by the Participating TO and the Interconnection Customer in a contract or agreement that is an "insured contract" under commercial general liability insurance policy. Such insurance shall include no cross liability exclusions or separation of insured clause endorsement exclusions, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate. If the activities of the Interconnection Customer are being conducted through the actions of an Affiliate, then the Interconnection Customer may satisfy the insurance requirements of this Section 18.3.2 by providing evidence of insurance coverage carried by such Affiliate and showing the Participating TO and the CAISO as an additional insured only with respect to the LGIA, together with the Interconnection Customer's written representation to the Participating TO and the CAISO that the insured Affiliate is conducting all of the necessary pre-construction work. Within thirty (30) Calendar Days prior to the entry of any person on behalf of the Interconnection Customer onto any construction site to perform work related to the Interconnection Facilities or Generating Facility, the Interconnection Customer shall replace any evidence of Affiliate Insurance with evidence of such insurance carried by the Interconnection Customer, naming the Participating TO and CAISO as additional insured only with respect to the LGIA.

18.3.3 Business Automobile Liability Insurance. Prior to the entry of any such vehicles on any construction site in connection with work done by or on behalf of the Interconnection Customer, the Interconnection Customer shall provide evidence of coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage. The Interconnection Customer shall include the Participating TO and the CAISO as additional insured with respect to the LGIA on any such policies.

18.3.4 Excess Liability Insurance. Commencing at the time of entry of any person on its behalf upon any construction site for the Network Upgrades, Interconnection Facilities, or Generating Facility, the Participating TO and the Interconnection Customer shall maintain Excess Liability insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate. Such insurance carried by the Participating TO shall include the Interconnection Customer and CAISO as additional insured with

respect to the LGIA, and such insurance carried by the Interconnection Customer shall include the Participating TO and CAISO as an additional insured with respect to the LGIA. The requirements of Section 18.3.2 and 18.3.4 may be met by any combination of general and excess liability insurance.

- 18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and Excess Liability Insurance policies shall include the other Parties identified in the sections above, their parents, their subsidiaries, respective directors, officers, agents, servants and employees ("Other Party Group") and the CAISO as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group. If any Party can reasonably demonstrate that coverage policies containing provisions for insurer waiver of subrogation rights, or advance notice are not commercially available, then the Parties shall meet and confer and mutually determine to (i) establish replacement or equivalent terms in lieu of subrogation or notice or (ii) waive the requirements that coverage(s) include such subrogation provision or require advance written notice from such insurers.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributory. Each Party shall be responsible for its respective deductibles or self-insured retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of extended reporting period coverage if agreed by the Parties.
- 18.3.8** [Not Used.]
- 18.3.9** Thirty (30) Calendar Days prior to the start of any work at the construction site related to Interconnection Facilities or Generating Facility under this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, the Participating TO and the Interconnection Customer shall provide a certificate of insurance for all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure
- a) to meet the minimum insurance requirements of Article 18.3.1, to the extent that it maintains a self-insurance program that is a qualified self insurer within the state in which the Point of Interconnection is located, under the laws and regulations of such state; and
 - b) to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9.
 - c) in the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its

self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage greater than \$25,000, including within the scope of coverage of such insurance whether or not such coverage is sought.

Article 19. Assignment

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

The Interconnection Customer may assign Surplus Interconnection Service pursuant to Section 3.4 of the GIDAPRIS. The CAISO, Participating TO, and original Interconnection Customer will work in good faith to amend this GIA to reflect the transfer of Surplus Interconnection Service before the execution of the assignee's GIA. The assignee must execute a separate GIA with the CAISO and Participating TO to memorialize its Interconnection Service.

Article 20. Severability

- 20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Participating TO or CAISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

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

Article 22. Confidentiality

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

Information is Confidential Information only if it is clearly designated or marked in writing as

confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Parties receiving the information that the information is confidential.

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

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

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

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use

Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.

- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. 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 Parties to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 22.1.11** Subject to the exception in Article 22.1.10, Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, 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 Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Balancing Authority including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

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

Article 24. Information Requirements

- 24.1 Information Acquisition.** The Participating TO and the Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Participating TO.** The initial information submission by the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Participating TO and the Interconnection Customer. On a monthly basis the Participating TO shall provide the Interconnection Customer and the CAISO a status report on the construction and installation of the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. The Interconnection Customer shall submit a completed copy of the Electric Generating Unit data requirements contained in Appendix 1 to the **GIDAPRIS**. It shall also include any additional information provided to the Participating TO and the CAISO for the Interconnection Studies. Information in this submission shall be the most current Electric Generating Unit design or expected performance data. Information submitted for stability models shall be compatible with the Participating TO and CAISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to the Participating TO and the CAISO for the Interconnection Studies, then the Participating TO

and the CAISO will conduct appropriate studies pursuant to the GIDAP-RIS to determine the impact on the Participating TO's Transmission System and affected portions of the CAISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.

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

Unless otherwise agreed, the test conditions shall include: (1) Electric Generating Unit at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in Electric Generating Unit terminal voltage initiated by a change in the voltage regulators reference voltage. The Interconnection Customer shall provide validated test recordings showing the responses of Electric Generating Unit terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Electric Generating Unit's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Electric Generating Unit terminal or field voltages is provided. Electric Generating Unit testing shall be conducted and results provided to the Participating TO and the CAISO for each individual Electric Generating Unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide the Participating TO and the CAISO any information changes due to equipment replacement, repair, or adjustment. The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Participating TO-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information pursuant to Article 5.19.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the CAISO to make available to a Party any third party information in its possession or control if making such third party information available would violate a CAISO Tariff restriction on the use or disclosure of such third party information.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, the

Parties' audit rights shall include audits of a Party's costs pertaining to such Party's performance or satisfaction of obligations owed to the other Party under this LGIA, calculation of invoiced amounts, the CAISO's efforts to allocate responsibility for the provision of reactive support to the CAISO Controlled Grid, the CAISO's efforts to allocate responsibility for interruption or reduction of generation on the CAISO Controlled Grid, and each such Party's actions in an Emergency Condition.

25.3.1 The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party's performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.3.2 Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following the Participating TO's issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the CAISO for a period of twenty-four months following the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.5 Audit Results. If an audit by the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which supports such determination. The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.

25.5.1 Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff, and the CAISO's process for remedying an overpayment or underpayment shall be as set forth in the CAISO Tariff.

Article 26. Subcontractors

- 26.1 General.** Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.
- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the CAISO or Participating TO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

All disputes arising out of or in connection with this LGIA whereby relief is sought by or from the CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as references to this LGIA. Disputes arising out of or in connection with this LGIA not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of

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

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

Article 28. Representations, Warranties and Covenants

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

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

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

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

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

Article 29. [Reserved]

Article 30. Miscellaneous

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment,

appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the GIDAP-RIS or such Appendix to the GIDAPRIS, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

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

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

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

30.11 Reservation of Rights. The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the CAISO below.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

3.2, 4.5, 11.6, 25.3.2, 25.5.1, and 27 preamble.

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among 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.

30.13 Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the CAISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.

IN WITNESS WHEREOF, the Parties have executed this LGIA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

[Insert name of Interconnection Customer]

By: _____

Name: _____

Title: _____

Date: _____

[Insert name of Participating TO]

By: _____

Name: _____

Title: _____

Date: _____

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Appendices to LGIA

- Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades
- Appendix B Milestones
- Appendix C Interconnection Details
- Appendix D Security Arrangements Details
- Appendix E Commercial Operation Date
- Appendix F Addresses for Delivery of Notices and Billings
- Appendix G Interconnection Customer's Share of Costs of Network Upgrades for Applicable Project Group
- Appendix H Interconnection Requirements for an Asynchronous Generating Facility
- [Appendix I Operating Assumptions for Generating Facility](#)

Appendix A

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

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

(b) [insert Participating TO's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

(i) [insert Participating TO's Reliability Network Upgrades]

(ii) [insert Participating TO's Delivery Network Upgrades]

3. Distribution Upgrades:

Appendix B

Milestones

Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date one hundred eighty (180) days from the effective date of this LGIA} or the LGIA may be terminated per Article 17 (Default) of this LGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK to the CAISO Tariff (Withdrawal Penalties).]

Appendix C
Interconnection Details

Appendix D

Security Arrangements Details

Infrastructure security of CAISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day CAISO Controlled Grid reliability and operational security. FERC will expect the CAISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the CAISO Controlled Grid to comply with Applicable Reliability Criteria. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

The Interconnection Customer shall meet the requirements for security implemented pursuant to the CAISO Tariff, including the CAISO's standards for information security posted on the CAISO's internet web site at the following internet address: <http://www.aiso.com/pubinfo/info-security/index.html>.

Appendix E

[This Appendix E sets forth a form of letter to be provided by the Interconnection Customer to the CAISO and Participating TO to provide formal notice of the Commercial Operation of an Electric Generating Unit.]

[Date]

[CAISO Address]

[Participating TO Address]

Re: _____ Electric Generating Unit

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Electric Generating Unit, effective as of **[Date plus one day]** and that **[Interconnection Customer]** provided the CAISO's operations personnel advance notice of its intended Commercial Operation Date no less than five Business Days prior to that date.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F

Addresses for Delivery of Notices and Billings

Notices:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Billings and Payments:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Appendix G

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

Appendix H

INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Except as provided in Section 25.4.2 of the CAISO tariff, existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit.

A. Technical Requirements Applicable to Asynchronous Generating Facilities

i. Voltage Ride-Through Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any- fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate

of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used, during transient high voltage conditions over 1.20 per unit or more must be one second or less.

4. The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.
5. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.
6. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
7. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
8. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.
9. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
10. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
11. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capability

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the NERC Reliability Standard for Generator Frequency and Voltage Protective Relay Settings, or successor requirements as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility ~~not studied under the Independent Study Process, as set forth in Section 4 of Appendix DD,~~ shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this LGIA in order to maintain a specified voltage schedule, if the Phase II Interconnection Study Cluster Study or Interconnection Facilities Study shows that such a requirement is necessary to ensure safety or reliability. ~~An Asynchronous Generating Facility studied under the Independent Study Process, as set forth in Section 4 of Appendix DD, shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this LGIA in order to maintain a specified voltage schedule.~~ The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study Cluster Study or Interconnection Facilities Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

vi. Transient Data Recording Equipment for Facilities above 20 MW

Asynchronous Generating Facilities with generating capacities of more than 20 MW must monitor and record data for all frequency ride-through events, transient low voltage disturbances that initiated reactive current injection, reactive current injection or momentary cessation for transient high voltage disturbances, and inverter trips. The data may be recorded and stored in a central plant control system. The following data must be recorded:

Plant Level:

- (1) Plant three phase voltage and current
- (2) Status of ancillary reactive devices
- (3) Status of all plant circuit breakers
- (4) Status of plant controller
- (5) Plant control set points
- (6) Position of main plant transformer no-load taps
- (7) Position of main plant transformer tap changer (if extant)
- (8) Protective relay trips or relay target data

Inverter Level:

- (1) Frequency, current, and voltage during frequency ride-through events
- (2) Voltage and current during momentary cessation for transient high voltage events (when used)
- (3) Voltage and current during reactive current injection for transient low or high voltage events
- (4) Inverter alarm and fault codes
- (5) DC current
- (6) DC voltage

The data must be time synchronized, using a GPS clock or similar device, to a one millisecond level of resolution. All data except phase angle measuring unit data must be sampled at least every 10 milliseconds. Data recording must be triggered upon detecting a frequency ride-through event, a transient low voltage disturbance that initiated reactive current injection, momentary cessation or reactive current injection for a transient high voltage disturbance, or an inverter trip. Each recording will include as a minimum 150 milliseconds of data prior to the triggering event, and 1000 milliseconds of data after the event trigger. The Asynchronous Generating Facility must store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all data within 10 calendar days of a request from the CAISO or the Participating TO.

The Asynchronous Generating Facility must install and maintain a phase angle measuring unit or functional equivalent at the entrance to the facility or at the Generating Facility's main substation transformer. The phase angle measuring unit must have a resolution of at least 30 samples per second. The Asynchronous Generating Facility will store this data for a minimum of 30 days. The Asynchronous Generating Facility will provide all phase angle measuring unit data within 10 calendar days of a request from the CAISO or the Participating TO.

Appendix I to LGIA

Operating Assumptions for Generating Facility

Check box if applicable []

Operating Assumptions:

{insert operating assumptions that reflect the charging behavior of the Generating Facility that includes at least one electric storage resource}

Appendix ~~FFMM~~

Small Generator Interconnection Agreement for Interconnection Requests Processed Under the ~~Generator Interconnection and Deliverability Allocation Procedures~~ Resource Interconnection Standards

(Appendix ~~DD-KK~~ to the CAISO Tariff)

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by _____ ("Participating TO"), the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO") and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Participating TO Information

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

CAISO Information

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: _____ Fax: _____

E-mail: _____@caiso.com

Interconnection Customer Information

Interconnection Customer: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Interconnection Customer Queue Position No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

1.1 Applicability

_____ This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the ~~Generator Interconnection and Transmission Allocation Procedures Resource Interconnection Standards (RISGIDAP)~~ set forth in Appendix ~~DD-KK~~ except for those submitted under the 10 kW Inverter Process contained in ~~GIDAP-RIS~~ Appendix 7. For those Interconnection Requests, ~~GIDAP-RIS~~ Appendix 7 contains the terms and conditions which serve as the Interconnection Agreement.

1.2 Purpose

_____ This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Participating TO's Transmission System.

1.3 No Agreement to Purchase or Deliver Power

_____ This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the CAISO Tariff. Full Capacity Deliverability Status, Partial Capacity Deliverability Status, and Off-Peak Deliverability Status do not confer any priority over other Generating Facilities to deliver Energy; nor provide any warranty or guarantee to deliver any amount of Energy or avoid curtailment at any time.

1.4 Limitations

_____ Nothing in this Agreement is intended to affect any other agreement between or among the Parties.

1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (CAISO Tariff Appendix CC) to interpret the responsibilities of the Parties under this Agreement.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The CAISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.

- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Change of Ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the CAISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Participating TO and the CAISO shall coordinate with Affected Systems to support the interconnection.
- 1.5.7 ~~For Interconnection Customers that execute or request the un-executed filing of an SGIA on or after October 5, 2016, t~~The Interconnection Customer shall ensure "frequency ride-through" capability and "voltage ride-through" capability of its Small Generating Facility. For abnormal frequency conditions and voltage conditions within the "no trip zone" defined by Reliability Standard PRC-024-3 or successor mandatory ride through Applicable Reliability Standards, the non-synchronous Small Generating Facility must ensure that, within any physical limitations of the Small Generating Facility, its control and protection settings are configured or set to (1) continue active power production during disturbance and post disturbance periods at pre-disturbance levels unless reactive power priority is enabled or unless providing primary frequency response; (2) minimize reductions in active power and remain within dynamic voltage and current limits, if reactive power priority mode is enabled, unless providing primary frequency response; (3) not artificially limit dynamic reactive power capability during disturbances; and (4) return to pre-disturbance active power levels without artificial ramp rate limits if active power is reduced, unless providing primary frequency response.

Frequency Conditions. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Standards and the ~~Electric Reliability Organization Applicable Reliability Council~~ in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Small Generating Facility as required by Applicable Reliability Standards and the ~~Electric Reliability Organization Applicable Reliability Council~~ to ensure "ride-through" capability. Small Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and CAISO in accordance with Good Utility Practice. The term "ride-through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility

Practice. Asynchronous Generating Facilities are subject to the frequency ride-through requirements set forth in Attachment 7.

Voltage Conditions. The Interconnection Customer shall ensure “voltage ride-through” capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the CAISO and any Affected Systems for an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this Agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. Asynchronous Generating Facilities are subject to the voltage ride-through requirements set forth in Attachment 7.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the CAISO Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the CAISO Tariff for the CAISO Controlled Grid and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power and Primary Frequency Response

1.8.1 For synchronous Generating Facilities, the Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of each generating unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all similarly situated generators in the CAISO Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to Asynchronous Generating Facilities and the requirements of Attachment 7 shall apply instead ~~except in the following cases: (a) an Interconnection Customer posts Interconnection Financial Security for an Asynchronous Generating Facility pursuant to Appendix DD of the CAISO Tariff Section 11.2.2 on or after September 21, 2016; or (b) and Interconnection Customer that submits an Interconnection Request for an Asynchronous Generating Facility under the Fast Track Process pursuant to Appendix DD of the CAISO Tariff on or after September 16, 2016.~~

~~When an Interconnection Customer posts Interconnection Financial Security for an Asynchronous Generating Facility pursuant to Appendix DD of the CAISO Tariff Section 11.2.2 on or after September 21, 2016,~~ the Interconnection Customer will design the Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability

(taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.

~~When an Interconnection Customer submits an Interconnection Request for an Asynchronous Generating Facility under the Fast Track Process pursuant to Appendix DD of the CAISO Tariff on or after September 21, 2016, the Interconnection Customer will design the Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the CAISO has established a different power factor range that applies to all Asynchronous Generating Facilities on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors and reactors, or a combination of the two.~~

1.8.2 Payment to the Interconnection Customer for reactive power that the Small Generating Facility provides or absorbs when the CAISO requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1 will be made by the CAISO in accordance with the applicable provisions of the CAISO Tariff.

1.8.3 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Small Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and ± 0.036 Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from Applicable Reliability Standards providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Small Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on Applicable Reliability Standards providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Small Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Small Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with Applicable Reliability Standards providing for an equivalent or more stringent parameter. Interconnection Customer shall notify the CAISO that the primary frequency response capability of the Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.3.1 and 1.8.3.2 of this SGIA. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.3.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid, Interconnection Customer shall operate the Small Generating Facility with its governor or equivalent

controls in service and responsive to frequency. Interconnection Customer shall, in coordination with the CAISO, set the deadband parameter to: (1) a maximum of ± 0.036 Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from Applicable Reliability Standards that provides for equivalent or more stringent parameters.

Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to the CAISO upon request. If

Interconnection Customer needs to operate the Small Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify the CAISO, and provide the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the CAISO Controlled Grid.

1.8.3.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Small Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of mechanical equipment, or regulatory requirements. The Small Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A FERC-approved Applicable Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

1.8.3.3 Exemptions. Small Generating Facilities that are regulated by the Nuclear Regulatory Commission shall be exempt from Sections 1.8.3, 1.8.3.1, and 1.8.3.2 of this SGIA. Small Generating Facilities that are behind-the-meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 1.8.3, but shall be otherwise exempt from the operating requirements in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.4 of this SGIA.

1.8.3.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of this SGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 1.8.3, 1.8.3.1, 1.8.3.2, and 1.8.3.3 of this SGIA. Attachment 5 shall specify whether the operating range is static or dynamic, and shall consider: (1) the expected magnitude of frequency deviations in the interconnection; (2) the

expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by the CAISO and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Attachment 5 must establish how frequently the operating range will be reevaluated and the factors that may be considered during its reevaluation.

Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 1.8.3.2 of this SGIA when it is online and dispatched to inject electricity to the CAISO Controlled Grid and/or receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the CAISO Controlled Grid and/or dispatched to receive electricity from the Participating TO's Transmission System or the CAISO Controlled Grid. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

1.10 TP Deliverability

To the extent that an Interconnection Customer is eligible for and has been allocated TP Deliverability pursuant to Section 8.9 of the GIDAPRIS, the Interconnection Customer's right to retain such allocated TP Deliverability shall be contingent upon satisfying the obligations set forth in Section 8.9.3 of the GIDAPRIS.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Participating TO and the CAISO of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Participating TO and the CAISO may, at their own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Participating TO and the CAISO a written test report when such testing and inspection is completed.

2.1.2 The Participating TO and the CAISO shall provide the Interconnection Customer written acknowledgment that they have received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Participating TO or the CAISO

of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1** The Participating TO and the CAISO shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Participating TO and the CAISO shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Participating TO and the CAISO shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2** The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Participating TO's Transmission System without prior written authorization of the Participating TO. The Participating TO will provide such authorization to the Interconnection Customer and the CAISO once the Participating TO receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access to Premises

- 2.3.1** Upon reasonable notice, the Participating TO and the CAISO may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Participating TO and the CAISO at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Participating TO and the CAISO shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3** Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Participating TO and the CAISO shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ____ years from the Effective Date (term specified in individual agreements to be ten

(10) years or such other longer period as the Interconnection Customer may request) and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Participating TO and the CAISO twenty (20) Business Days written notice.

3.3.2 Any Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the CAISO Controlled Grid. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection of the Small Generating Facility or associated Interconnection Facilities shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

“Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, the Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the CAISO or the Participating TO may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when

it becomes aware of an Emergency Condition that may reasonably be expected to affect the CAISO Controlled Grid, the Participating TO's Interconnection Facilities, or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Participating TO or the CAISO may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the CAISO Controlled Grid when necessary for routine maintenance, construction, and repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Party scheduling the interruption shall provide the Interconnection Customer with (5) five Business Days notice prior to such interruption. The Party scheduling the interruption shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO.

3.4.3 Forced Outages

During any forced outage, the Participating TO or the CAISO may suspend interconnection service to effect immediate repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Participating TO or the CAISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Participating TO or the CAISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection. The Interconnection Customer shall notify CAISO, as soon as practicable, of all forced outages or reductions of the Small Generating Facility in accordance with the CAISO Tariff.

3.4.4 Adverse Operating Effects

The Participating TO or the CAISO shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the CAISO Controlled Grid, the Participating TO's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Participating TO or the CAISO may disconnect the Small Generating Facility. The Participating TO or the CAISO shall provide the Interconnection Customer with (5) five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

Prior to making any modifications to the Small Generating Facility before it has achieved

its Commercial Operation Date, the Interconnection Customer must first request that the CAISO evaluate whether such modification is a Material Modification and receive written authorization from the Participating TO and the CAISO. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. The CAISO may engage the services of the applicable Participating TO to assess the modification. Costs incurred by the Participating TO and CAISO (if any) shall be borne by the party making the request under Section 6.7.2 of Appendix ~~DDKK~~, and such costs shall be included in any CAISO invoice for modification assessment activities. If the Interconnection Customer has achieved its Commercial Operation Date, the CAISO and Participating TO(s) will review the requested modification pursuant to Sections 25 and 25.1(c) of the CAISO Tariff. If the Interconnection Customer makes modifications without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility. Any change to the Point of Interconnection, except those deemed acceptable under this article of the ~~GIDAP~~ SGIA or so allowed elsewhere, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

~~Notwithstanding Section 7.5 of Appendix DD, at any time after achieving its Commercial Operation Date, the Interconnection Customer may reduce the megawatt generating capacities of its Generating Facilities, subject to Section 25.1(c) of the CAISO Tariff. Section 7.5.11 of Appendix DD will still apply to such requests to reduce capacity.~~

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, the Participating TO's electric system, and the CAISO Controlled Grid to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Costs for Interconnection Facilities, and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Participating TO shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the CAISO, and the Participating TO.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Participating TO's Interconnection Facilities.

4.2 Distribution Upgrades

The Participating TO shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility For Network Upgrades

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Participating TO shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement, except for Merchant Network Upgrades. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer. For costs associated with Area Delivery Network Upgrades and Area Off-Peak Network Upgrades, any cost estimates will be advisory in nature and will not be considered as definitive or as establishing a cap on the Maximum Cost Exposure of the Interconnection Customer.

5.2.1 Merchant Network Upgrades

If the Interconnection Customer is an Option (B) Interconnection Customer, the Interconnection Customer may elect to have a party other than the applicable Participating TO construct some or all of the LDNU and ADNU that the Interconnection Customer has the obligation to fund and that are not subject to reimbursement. Such LDNU and ADNU will be constructed and incorporated into the CAISO Controlled Grid pursuant to the provisions for Merchant Transmission Facilities in CAISO Tariff Sections 24.4.6.1 and 36.11.

5.3 Transmission Credits

No later than thirty (30) calendar days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to (a) receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a repayment of the cost of Network Upgrades in accordance with Article 5.3.1, and/or (b) decline all or a part of a refund of the cost of Network Upgrades entitled to the Interconnection Customer in accordance with Article 5.3.1.

5.3.1 Repayment of Amounts Advanced for Network Upgrades

5.3.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

~~An Interconnection Customer with a non-Phased Generating Facility in Queue Cluster 5 or earlier, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades commencing upon the Commercial Operation Date of its Generating Facility.~~

An Interconnection Customer with a non-Phased Generating Facility ~~in Queue~~

~~Cluster 6 or later, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has not been tendered an Interconnection Agreement before December 19, 2014, shall will~~ be entitled to repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed in service on or before the Commercial Operation Date of its Small Generating Facility, commencing upon the Commercial Operation Date of the Small Generating Facility. Repayment for the Interconnection Customer's contribution to the cost of Network Upgrades placed into service after the Commercial Operation Date of its Small Generating Facility shall, for each of these Network Upgrades, commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

An Interconnection Customer subject to this Article 5.3.1.1 shall be entitled to repayment for its contribution to the cost of Network Upgrades as follows:

- (a) For Reliability Network Upgrades, the Interconnection Customer shall be entitled to a repayment of the amount paid by the Interconnection Customer for Reliability Network Upgrades up to a maximum amount established in Section 14.3.2.1 of the **GIDAPRIS**. For purposes of this determination, generating capacity will be based on the capacity of the Interconnection Customer's Generating Facility at the time it achieves Commercial Operation. To the extent that such repayment does not cover all of the costs of the Interconnection Customer's Reliability Network Upgrades, the Interconnection Customer shall receive Merchant Transmission CRRs for that portion of its Reliability Network Upgrades that are not covered by cash repayment.
- (b) For Local Delivery Network Upgrades:
 - i. If the Interconnection Customer is an Option (B) Interconnection Customer and has been allocated and continues to be eligible to receive TP Deliverability pursuant to the **GIDAPRIS**, the Interconnection Customer shall be entitled to repayment of a portion of the total amount paid to the Participating TO for the cost of Local Delivery Network Upgrades for which it is responsible. The repayment amount shall be determined by dividing the amount of TP Deliverability received by the amount of deliverability requested by the Interconnection Customer, and multiplying that percentage by the total amount paid to the Participating TO by the Interconnection Customer for Local Delivery Network Upgrades.
 - ii. If the Interconnection Customer is an Option (B) Interconnection Customer and has not been allocated any TP Deliverability, the Interconnection Customer shall not be entitled to repayment for the cost of Local Delivery Network Upgrades.
 - iii. If the Interconnection Customer is an Option (A) Interconnection Customer, the Interconnection Customer shall be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.
- (c) For Area Delivery Network Upgrades, the Interconnection Customer shall not be entitled to repayment for the costs of Area Delivery Network

Upgrades.

- (d) If an Option (B) Interconnection Customer elects and is eligible to construct and own Merchant Network Upgrades as set forth in Article 5.2.1 of this SGIA, then the Interconnection Customer shall not be entitled to any repayment pursuant to this SGIA.

Unless an Interconnection Customer has provided written notice to the CAISO that it is declining all or part of such repayment, such amounts shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the applicable date as provided for in this Article 5.3.1.1; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

- (e) Where the Interconnection Customer finances the construction of Network Upgrades for more than one Participating TO, the cost allocation, ~~Interconnection Financial Security~~Commercial Readiness Deposit, GIA Deposit, and repayment will be conducted pursuant to Section 14.4.1 of the GIDAPRIS, and set forth in this SGIA,
- (f) For Local Off-Peak Network Upgrades, the Interconnection Customer will be entitled to a repayment equal to the total amount paid to the Participating TO for the costs of Local Delivery Network Upgrades for which it is responsible.

5.3.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the amount paid to the Participating TO for the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, subject to the limitations specified in Article 5.3.1.1, if the following conditions are satisfied as described below:

- (a) The Small Generating Facility is capable of being constructed in phases;
- (b) The Small Generating Facility is specified in the SGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the SGIA;
- (d) The Interconnection Customer has tendered notice pursuant to the SGIA that the phase has achieved Commercial Operation;
- (e) All parties to the SGIA have agreed that the completed phase meets the

requirements set forth in the SGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the SGIA;

- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the ~~Interconnection Financial Security~~ security required for the Network Upgrades for all the phases of the Small Generating Facility.

~~Following satisfaction of these conditions (a) through (g), an Interconnection Customer in a Queue Cluster earlier than Queue Cluster 5, or an Interconnection Customer in the Independent Study Process or the Fast Track Process that has been tendered a Generator Interconnection Agreement before December 19, 2014, shall be entitled to receive a partial repayment of its financed cost responsibility, to the extent that it is otherwise eligible for such repayment pursuant to Article 5.3.1.1, in an amount equal to the percentage of the Small Generating Facility declared to be in Commercial Operation multiplied by the cost of the Network Upgrades associated with the completed phase. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Small Generating Facility is completed.~~

Following satisfaction of these conditions (a) through (e) and (g), an Interconnection Customer in a Queue Cluster 6 or a later Queue Cluster, or an Interconnection Customer in ~~the Independent Study Process or the Fast Track Process that has not been tendered a Generator Interconnection Agreement before December 19, 2014,~~ shall will be entitled to receive a repayment of its financed cost responsibility for the Network Upgrades associated with the completed phase that have been placed in service. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Small Generating Facility is completed. With respect to any Network Upgrades necessary for a completed phase to meet its desired level of deliverability that are not in service by the time the phase achieves Commercial Operation, repayment for each such Network Upgrade will commence no later than the later of: (i) the first month of the calendar year following the year in which the Network Upgrade is placed into service or (ii) 90 days after the Network Upgrade is placed into service.

If the SGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article 5.3.1.2 as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then defaults on the SGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases, provided that the Party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount provided pursuant to this Article 5.3.1.2 shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year

period commencing on the applicable date as provided for in this Article 5.3.1.2; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years of the applicable commencement date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years of the applicable commencement date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.3 Interest Payments and Assignment Rights

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this Agreement is in effect. The Interconnection Customer may assign such repayment rights to any person.

5.3.1.4 Failure to Achieve Commercial Operation

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

5.3.2 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the **GIDAPRIS**. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.

5.3.3 Rights Under Other Agreements

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

5.3.4 Compensation for Customer-Funded Upgrades Utilized by Subsequent Interconnection Customers.

If the Interconnection Customer funds Network Upgrades for which it is not eligible for repayment, the Interconnection Customer will be entitled to direct compensation by any Interconnection Customers in later Queue Clusters that utilize such Network Upgrades. Such compensation will be determined based on the distribution flow factors of the

Generating Facilities that will be using the Network Upgrades.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

- 6.1.1** The Participating TO shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.
- 6.1.2** Within six (6) months of completing the construction and installation of the Participating TO's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Participating TO shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Participating TO for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Participating TO shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Participating TO within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Participating TO shall refund to the Interconnection Customer an amount equal to the difference within thirty (30) calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, as defined in Article 7.5.1, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Parties affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) they will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) they have reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 ~~Interconnection Financial Security Arrangements for Small Generating Facilities Processed Under the Fast Track Process~~ **or Small Generating Facilities Processed under SGIP**

The terms and conditions of this Article 6.3 shall apply only to Small Generating Facilities that are no larger than 5 MW that are processed under the Fast Track Process ~~under the GIDAP, CAISO Tariff Appendix DD.~~

In such case, the terms of Article 6.4 below do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.3 applies:

[] **THIS ARTICLE 6.3 APPLIES**

- 6.3.1** At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Participating TO's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO under this Agreement during its term. The Participating TO must use the GIA Deposit required in Section 13.3 of the RIS before requiring Interconnection Customer to submit security in addition to that GIA Deposit. The Participating TO must specify, in Attachment 4 of this SGIA, the dates for which Interconnection Customer must provide additional security for construction of each discrete portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and Interconnection Customer must provide such additional security.
- 6.3.2** If a guarantee is provided, the guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.3** If a letter of credit or surety bond is provided, the letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

6.4 ~~Interconnection Financial Security~~ Arrangements for All Other Small Generating Facilities

The terms of this Article 6.4 apply to Small Generating Facilities that have been processed under ~~either the Cluster Study Process or the Independent Study Track Process of the GIDAP set forth in CAISO Tariff Appendix DD.~~ In such case, the provisions of Article 6.3 do not apply to this Agreement.

In such case, the terms of Article 6.3 above do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.4 applies:

[] **THIS ARTICLE 6.4 APPLIES**

- 6.4.1** The Interconnection Customer is obligated to provide ~~all the necessary Interconnection GIA Deposit Financial Security~~ required under Section ~~11-13.3~~ of the ~~GIDAP RIS~~ in a manner acceptable under Section 11 of the ~~GIDAP RIS~~. Failure by the Interconnection Customer to timely satisfy the ~~GIDAP's RIS's~~ requirements for the provision of ~~Interconnection Financial Security GIA Deposit~~ shall be deemed a breach of this Agreement and a condition of Default of this Agreement.

~~**6.4.2** Notwithstanding any other provision in this Agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide Interconnection Customer with written notice of any Default due to timely failure to post Interconnection Financial Security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required Interconnection Financial Security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed terminated.~~

Article 7. Assignment, Liability, Indemnity, Force Majeure, and Default

7.1 Assignment

This Agreement may be assigned by any Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Parties; provided that:

- 7.1.1** Any Party may assign this Agreement without the consent of the other Parties 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, provided that the Interconnection Customer promptly notifies the Participating TO and the CAISO of any such assignment;
- 7.1.2** The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Participating TO or the CAISO, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Participating TO and the CAISO of any such assignment.
- 7.1.3** Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

- 7.3.1** This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.
- 7.3.2** The Parties shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3** If an indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4** If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this article, the amount owing to the indemnified Party shall be the

amount of such indemnified Party's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of another Party. Upon a Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2 and in Article 6.4.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

- 7.6.2** If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

- 8.1** The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Participating TO or CAISO, except that the Interconnection Customer shall show proof of insurance to the Participating TO and CAISO no later than ten Business Days prior to the anticipated Commercial Operation Date. If the Interconnection Customer is of sufficient credit-worthiness, it may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2** The Participating TO agrees to maintain general liability insurance or self-insurance consistent with the Participating TO's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Participating TO's liabilities undertaken pursuant to this Agreement.
- 8.3** The CAISO agrees to maintain general liability insurance or self-insurance consistent with the CAISO's commercial practice. Such insurance shall not exclude coverage for the CAISO's liabilities undertaken pursuant to this Agreement.
- 8.4** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

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

Article 10. Disputes

All disputes arising out of or in connection with this Agreement whereby relief is sought by or from CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as reference to this Agreement. Disputes arising out of or in connection with this Agreement not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other Parties to maintain the other Parties' tax status.

Nothing in this Agreement is intended to adversely affect the Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by all of the Parties, or under Article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or

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

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with Applicable Reliability Criteria. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

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

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

Introductory Paragraph, 1.1, 1.2, 1.3, 1.4, 1.5.1, 1.5.2, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.6, 1.7, 1.8.1, 1.9, 2.1, 2.2.1, 2.3, 3, 4.1.1 (last sentence only), 5.1, 5.3, 6.2, 7, 8, 9, 11, 12, 13, Attachment 1, Attachment 4, Attachment 5, and Attachment 7.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

2.2.2, 4.1.1 (all but the last sentence), 4.1.2, 4.2, 5.2, 6.1.1 (all but the last sentence), 6.1.2, 10 (all but preamble), Attachment 2, Attachment 3 and Attachment 6.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

1.8.2, 6.1.1 (last sentence only) and 10 (preamble only).

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by 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, except to the extent that the Parties otherwise mutually agree as provided herein.

12.13 Annual Reassessment Process

In accordance with Section 7.4 of the GIDAPRIS, the CAISO will perform an annual reassessment in which it will update certain base case data prior to beginning the GIDAP Phase # Interconnection Facilities Studies. As set forth in Section 7.4 of the GIDAPRIS, the CAISO may determine through this assessment that Delivery Network Upgrades and Off-Peak Network Upgrades already identified and included in executed Generator Interconnection Agreements should be modified in order to reflect the current circumstances of Interconnection Customers in the queue, including any withdrawals therefrom, and any additions and upgrades approved in the CAISO's most recent Transmission Planning Process cycle. To the extent that this determination modifies the scope or characteristics of, or the financial responsibility for, any Delivery Network Upgrades and Off-Peak Network Upgrades determined pursuant to this SGIA, such modification(s) will be reflected through an amendment to this SGIA.

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if

delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by any Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the Participating TO:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail address: _____

If to the CAISO:

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

Phone: 916-351-4400 Fax: _____

E-mail address: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Participating TO's Operating Representative:

Participating TO: _____

Attention: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

CAISO's Operating Representative

California Independent System Operator Corporation

Attention: _____

250 Outcropping Way

Folsom, CA 95630

13.5 Changes to the Notice Information

Any Party may change this information by giving five Business Days written notice to the other Parties prior to the effective date of the change.

Article 14. Signatures

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

For the California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

For the Participating TO

By: _____

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

By: _____

Name: _____

Title: _____

Date: _____

Attachment 1

Glossary of Terms

Affected System - An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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

Area Deliverability Constraint - A previously identified transmission system operating limit, based on a CAISO interconnection study or transmission planning study and listed on the CAISO website, that would constrain the deliverability of a substantial number of generators if the CAISO were to assign full capacity or partial capacity deliverability status to additional generating facilities in one or more specified geographic or electrical areas of the CAISO Controlled Grid in a total amount that is greater than the TP Deliverability for those areas. May also be a transmission system operating limit that constrains all or most of the same generation already constrained by a previously identified Area Deliverability Constraint.

Area Delivery Network Upgrade (ADNU) - A transmission upgrade or addition identified by the CAISO to relieve an Area Deliverability Constraint.

Area Off-Peak Constraints - A transmission system operating limit that would cause excessive curtailment to a substantial number of Generating Facilities during Off-Peak Load conditions, as described in Section 6.3.2.2 of Appendix DD and the CAISO Off-Peak Deliverability Assessment posted on the CAISO Website.

Area Off-Peak Network Upgrades (AOPNUs) - A transmission upgrade or addition the CAISO identifies in the Transmission Planning Process to relieve an Area Off-Peak Constraint.

Assigned Network Upgrade (ANU) - Reliability Network Upgrades, Local Off-Peak Network Upgrades, and Local Delivery Network Upgrades currently assigned to the Interconnection Customer. Assigned Network Upgrades exclude Conditionally Assigned Network Upgrades unless they become Assigned Network Upgrades.

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

Business Day - Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid - The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff - The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Cluster Application Window - The time period for submitting Interconnection Requests as set forth in Section 3.3 of Appendix KK.

Cluster Study Process - The following processes, conducted in sequence: the Cluster Application Window; the Customer Engagement Window and Scoping Meetings therein; the Cluster Study; any needed Cluster Restudies; and the Interconnection Facilities Study.

Commercial Operation Date - The date on which a Small Generating Facility commenced generating

electricity for sale as agreed upon by the Participating TO and the Interconnection Customer and in accordance with any implementation plan agreed to by the Participating TO and the CAISO for multiple individual generating units or project phases at a Small Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those generating units or project phases.

Commercial Readiness Deposit - A deposit paid as set forth in Sections 3.5.1, 7.5, and 8.1.1 of the RIS.

Conditionally Assigned Network Upgrade (CANU) - Reliability Network Upgrades and Local Delivery Network Upgrades currently assigned to an earlier Interconnection Customer, but which may be assigned to the Interconnection Customer.

Current Cost Responsibility (CCR) - The Interconnection Customer's current allocated costs for Assigned Network Upgrades, not to exceed the Maximum Cost Responsibility. This cost is used to calculate the Interconnection Customer's ~~Interconnection Financial Security, Commercial Readiness Deposit, and GIA Deposit~~ requirements, as applicable.

Customer Engagement Window - The time period set forth in Section 3.5.2 of the RIS.

Default - The failure of a breaching Party to cure its breach under this Agreement.

Distribution System - Those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades - The additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Electric Reliability Organization - The North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) or their successor organizations.

General Reliability Network Upgrade (GRNU) - Reliability Network Upgrades that are not Interconnection Reliability Network Upgrades.

Generator Interconnection and Deliverability Allocation Procedures (GIDAP) - The CAISO protocol that sets forth the interconnection and allocation procedures applicable to an Interconnection Request pertaining to a Small Generating Facility that is included in CAISO Tariff Appendix DD.

GIA Deposit - The deposit Interconnection Customer submits when returning the executed GIA, or within ten (10) Business Days of requesting that the GIA be filed unexecuted at the Commission, in accordance with Section 11 of the RIS.

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

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

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

~~**Interconnection Financial Security (IFS)** - Any of the financial instruments listed in Section 11.1 of the GIDAP that are posted by an Interconnection Customer to finance the construction of facilities or Network Upgrades.~~

Interconnection Handbook - A handbook, developed by the Participating TO and posted on the Participating TO's website or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's Transmission System, as such handbook may be modified or superseded from time to time. The Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and applicable reliability standards.

Interconnection Reliability Network Upgrade (IRNU) - Reliability Network Upgrades at the Point of Interconnection to accomplish the physical interconnection of the Generating Facility to the CAISO Controlled Grid. IRNUs are treated as Reliability Network Upgrades unless otherwise noted.

~~**Interconnection Request** - An Interconnection Customer's request, in the form of Appendix 1 Appendix KK in accordance with Section 25.1 of the CAISO Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the CAISO Controlled Grid.~~

~~**Interconnection Study** - Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, the Interconnection Facilities Study, the Phase I Interconnection Study, the Phase II Interconnection Study, the Cluster Study, the Cluster Restudy, the Surplus Interconnection Service Study, the Affected System Study, or the reassessment of any of these.~~

- ~~(i) For Interconnection Requests processed under the Cluster Study Process described in the GIDAP, any of the following: the Phase I Interconnection Study conducted or caused to be performed by the CAISO, the reassessment of the Phase I Interconnection Study Base Case conducted or caused to be performed by the CAISO prior to the commencement of the Phase II Interconnection Study, or the Phase II Interconnection Study conducted or caused to be performed by the CAISO, pursuant to the GIDAP.~~
- ~~(ii) For Interconnection Requests processed under the Independent Study Process described in the GIDAP, the governing study(ies) conducted or caused to be performed by the CAISO pursuant to the GIDAP, which shall consist primarily of a system impact and facilities study as described in Section 4.4 of the GIDAP, and, as applicable to Full Capacity Deliverability Status or Partial Deliverability Status, Phase I and Phase Interconnection Studies as described in Section 2.4.3 of the GIDAP.~~

Local Deliverability Constraint - A transmission system operating limit modeled in the GIDAP study process that would be exceeded if the CAISO were to assign full capacity or partial capacity deliverability status to one or more additional generating facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Deliverability Constraint.

Local Delivery Network Upgrade (LDNU) - A transmission upgrade or addition identified by the CAISO in the GIDAP study process to relieve a Local Deliverability Constraint.

Local Off-Peak Constraints - A transmission system operating limit modeled in the generator interconnection study process that would be exceeded or lead to excessive curtailment, as described in

the Off-Peak Deliverability Assessment methodology, if the CAISO were to assign Off-Peak Deliverability Status to one or more Generating Facilities interconnecting to the CAISO Controlled Grid in a specific local area, and that is not an Area Off-Peak Constraint.

Local Off-Peak Network Upgrades (LOPNUs) - A transmission upgrade or addition the CAISO identifies in the generator interconnection study process to relieve a Local Off-Peak Constraint.

Material Modification - A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with an equal or later Queue Position priority date.

Maximum Cost Exposure (MCE) - Pursuant to Appendix DD, T, the sum of (1) the Interconnection Customer's Maximum Cost Responsibility and (2) the Conditionally Assigned Network Upgrades from its Phase I or Phase II Interconnection Studies.

Maximum Cost Responsibility (MCR) - Pursuant to Appendix DD, T, the lower sum of the Interconnection Customer's (1) full cost of assigned Interconnection Reliability Network Upgrades and (2) allocated costs for all other Assigned Network Upgrades, from its Phase I or Phase II Interconnection Facilities Studies, not to exceed the Maximum Cost Exposure.

Merchant Network Upgrades - Network Upgrades constructed and owned by an Interconnection Customer pursuant to Article 5.2.1 of this SGIA, Section 13.3 of the GIDAP, and Sections 24.4.6.1 and 36.11 of the CAISO Tariff.

Network Upgrades - Additions, modifications, and upgrades to the Participating TO's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the CAISO Controlled Grid to accommodate the interconnection of the Small Generating Facility with the CAISO Controlled Grid. Network Upgrades do not include Distribution Upgrades.

Operational Control - The rights of the CAISO under a Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Off-Peak Deliverability Constraints - A transmission system operating limit that constrains Generating Facilities in an area, leading to the excessive curtailment of expected Energy.

Off-Peak Network Upgrades - Network Upgrades needed to relieve Off-Peak Deliverability Constraints. Area Off-Peak Network Upgrades address Area Off-Peak Constraints. Local Off-Peak Network Upgrades address Local Off-Peak Constraints.

Operating Requirements - Any operating and technical requirements that may be applicable due to the CAISO, Western Electricity Coordinating Council, Balancing Authority Area, or the Participating TO's requirements, including those set forth in this Agreement.

Option (A) Interconnection Customer -- A Generating Facility for which the An Interconnection Customer has selected that elects to interconnect pursuant to Option (A) as the Deliverability option under as set forth in Section 7.2 of Appendix DD or KK ~~the GIDAP.~~

Option (B) Interconnection Customer -- Generating Facilities for which the An Interconnection Customer has selected that elects to interconnect pursuant to Option (B) as the Deliverability option under set forth in Section 7.2 of Appendix DD or KK ~~the GIDAP.~~

Party or Parties - The Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Phased Generating Facility - A Small Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this SGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Small Generating Facility.

Point of Interconnection - The point where the Interconnection Facilities connect with the Participating TO's Transmission System.

Precursor Network Upgrades (PNU) - Network Upgrades required for the Interconnection Customer consisting of (1) Network Upgrades assigned to an earlier Interconnection Customer in an earlier Queue Cluster, Independent Study Process, or Fast Track Process, that has executed its GIA pursuant to Section 14.2.2 of the GIDAP; and (2) Network Upgrades in the approved CAISO Transmission Plan.

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

Reliability Network Upgrades (RNU) - The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Generating Facility(ies) safely and reliably to the CAISO Controlled 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 system operating limits. Reliability Network Upgrades shall only be deemed necessary for system operating limits, occurring under any system condition, which cannot be adequately mitigated through Congestion Management or Operating Procedures 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 WECC practice, the facilities necessary to mitigate any adverse impact the Generating Facility's interconnection may have on a path's WECC rating. Reliability Network Upgrades include Interconnection Reliability Network Upgrades and General Reliability Network Upgrades.

Resource Interconnection Standards (RIS) - Appendix KK to the CAISO Tariff.

Site Control - the exclusive land right to develop, construct, operate, and maintain the Generating Facility over the term of expected operation of the Generating Facility. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Generating Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to exclusively occupy a site of sufficient size to construct and operate the Generating Facility. The CAISO will maintain acreage requirements for each Generating Facility type on its Website.

Small Generating Facility - The Interconnection Customer's device 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.

Small Generator Interconnection Agreement - The pro forma Interconnection Agreement applicable to an Interconnection Request for a Small Generating Facility.

TP Deliverability - The capability, measured in MW, of the CAISO Controlled Grid as modified by transmission upgrades and additions 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 CAISO Controlled Grid.

Transmission Control Agreement - CAISO FERC Electric Tariff No. 7.

Transmission System - The facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Upgrades - The required additions and modifications to the Participating TO's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Withdrawal Penalty - The penalty assessed by the CAISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn from the CAISO's interconnection queue or whose Generating Facility does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 3.8.1 of the RIS.

Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Participating TO. The Participating TO will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Attachment 3

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, Metering Equipment, and Upgrades**

Attachment 4

Milestones

In-Service Date: _____

[Site Control

Interconnection Customer with qualifying regulatory limitations must demonstrate 100% Site Control by {insert date 180 days from the effective date of this SGIA} or the SGIA may be terminated per Article 7 (Default) of this SGIA and the Interconnection Customer may be subject to Withdrawal Penalties per Section 3.8 of Appendix KK CAISO Tariff (Withdrawal Penalties).]

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the CAISO _____

Date _____

For the Participating TO _____

Date _____

For the Interconnection Customer _____

Date _____

Attachment 5

Additional Operating Requirements for the CAISO Controlled Grid and Affected Systems Needed to Support the Interconnection Customer's Needs

The Participating TO and the CAISO shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the CAISO Controlled Grid.

Attachment 6

Participating TO's Description of its Upgrades and Best Estimate of Upgrade Costs

The Participating TO shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Participating TO shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

Attachment 7

Interconnection Requirements for an Asynchronous Small Generating Facility

Attachment 7 sets forth requirements and provisions specific to all Asynchronous Generating Facilities. All other requirements of this Agreement continue to apply to all Asynchronous Generating Facility interconnections consistent with Section 25.4.2 of the CAISO tariff.

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Momentary cessation (namely, ceasing to inject current during a fault without mechanical isolation) is prohibited unless transient high voltage conditions rise to 1.20 per unit or more. For transient low voltage conditions, the Asynchronous Generating Facility's inverters will inject reactive current. The level of this reactive current must be directionally proportional to the decrease in per unit voltage at the inverter AC terminals. The inverter must produce full reactive current capability when the AC voltage at the inverter terminals drops to a level of 0.50 per unit or below. The Asynchronous Generating Facility must continue to operate and absorb reactive current for transient voltage conditions between 1.10 and 1.20 per unit.

Upon the cessation of transient voltage conditions and the return of the grid to normal operating voltage ($0.90 < V < 1.10$ per unit), the Asynchronous Generating Facility's inverters automatically must transition to normal active (real power) current injection. The Asynchronous Generating Facility's inverters must ramp up to inject active (real power) current with a minimum ramping rate of at least 100% per second (from no output to full available output). The total time to complete the transition from reactive current injection or absorption to normal active (real power) current injection must be one second or less. The total time to return from momentary cessation, if used, during transient high voltage conditions over 1.20 per unit or more must be one second or less.

The Asynchronous Generating Facility's inverter will be considered to have tripped where its AC circuit breaker is open or otherwise has electrically isolated the inverter from the grid. Following an inverter trip, the inverter must make at least one attempt to resynchronize and connect back to the grid unless the trip resulted from a fatal fault code, as defined by the inverter manufacturer. This attempt must take place within 2.5 minutes from the inverter trip. An attempt to resynchronize and connect back to the grid is not required if the trip was initiated due to a fatal fault code, as determined by the original equipment manufacturer.

4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7 or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
7. Asynchronous Generating Facilities may meet the requirements of this Section A of this Attachment 7 through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility or by a combination of generating unit performance and additional equipment.
8. The provisions of this Section A.i of this Attachment 7 apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.
9. Asynchronous Generating Facility inverters may not trip or cease to inject current for momentary loss of synchronism. As a minimum, the Asynchronous Generating Facility's inverter controls may lock the phase lock loop to the last synchronized point and continue to inject current into the grid at that last calculated phase prior to the loss of synchronism until the phase lock loop can regain synchronism. The current injection may be limited to protect the inverter. Any inverter may trip if the phase lock loop is unable to regain synchronism 150 milliseconds after loss of synchronism.
10. Inverter restoration following transient voltage conditions must not be impeded by plant level controllers. If the Asynchronous Generating Facility uses a plant level controller, it must be programmed to allow the inverters to automatically re-synchronize rapidly and ramp up to active current injection (without delayed ramping) following transient voltage recovery, before resuming overall control of

the individual plant inverters.

ii. Frequency Disturbance Ride-Through Capacity

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the [Electric Reliability Organization NERC-Reliability Standard for Generator Frequency and Voltage Protective Relay Settings](#) as they may be amended from time to time.

iii. Power Factor Design Criteria (Reactive Power)

An Asynchronous Generating Facility ~~not studied under the Independent Study Process, as set forth in Section 4 of Appendix DD, shall will~~ operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this SGIA in order to maintain a specified voltage schedule, if the [Phase II Interconnection Facilities](#) Study shows that such a requirement is necessary to ensure safety or reliability. ~~An Asynchronous Generating Facility studied under the Independent Study Process, as set forth in Section 4 of Appendix DD, shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the high voltage side of the substation transformer, as defined in this SGIA in order to maintain a specified voltage schedule.~~ The power factor range standards set forth in this section can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the [Phase II Interconnection Facilities](#) Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

Attachment 8

[This Attachment is Intentionally Omitted]