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October 25, 2006

Hon. Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**RE: Small Generator Interconnection Procedures of the
California Independent System Operator Corporation
Docket Nos. RM02-12-002 and ER06-629-000**

Dear Secretary Salas:

Pursuant to Order No. 2006-B¹ of the Federal Energy Regulatory Commission (“Commission”), Section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d (2003), and Section 35.13 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 35.13 (2005), the California Independent System Operator Corporation (“CAISO”) hereby submits six copies of amendments to its *pro forma* Small Generator Interconnection Procedures (“SGIP”) study agreements for Commission approval and inclusion in the CAISO Tariff.² The CAISO is tendering two copies of this filing to be time and date stamped and returned to our courier.

I. BACKGROUND

On July 20, 2006, the Commission issued Order No. 2006-B accepting Southern California Edison Company’s (“SCE”) proposal to include in each of the *pro forma* SGIP study agreements certain miscellaneous “boilerplate” provisions from article 12 of the *pro forma* Small Generator Interconnection Agreement (“SGIA”). In particular, the Commission directed that articles 12.1 through 12.4, 12.6 through 12.8, and 12.11 and 12.12 be added, with minor revisions, to the *pro forma* SGIP study agreements. These

¹ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006-B, 116 FERC ¶ 61,046, 71 FR 42587 (July 27, 2006) (“Order 2006-B”).

² Capitalized terms that are not otherwise defined are defined in the Master Definitions Supplement, Appendix A to the ISO Tariff.

provisions address issues regarding governing law, amendment, third-party beneficiaries, waiver, counterparts, partnership, severability, subcontractors, and reservation of rights, respectively. The Commission expressly elected not to incorporate articles 12.5 (entire agreement), 12.9 (security arrangements), and 12.10 (environmental releases). The Commission also clarified in Order No. 2006 that section 4 of the *pro forma* SGIP applies to the interconnection study process.³

Order No. 2006-B provided that its effective date would be thirty (30) days after publication in the Federal Register, which occurred on July 27, 2006. However, Independent Transmission Providers were given an additional 60 days after the effective date of Order No. 2006 to make the necessary conforming changes.⁴ The Commission further stated that if the Commission had not yet acted on the Independent Transmission Provider's compliance filings for Order Nos. 2006 or 2006-A⁵, the Independent Transmission Providers should amend its pending filing. The CAISO falls into this category. Its compliance filing for Order Nos. 2006 and 2006-A was submitted to the Commission on February 10, 2006 ("Order Nos. 2006/2006-A Compliance Filing"), and a decision remains pending.

In addressing the issue of variations from the standardized *pro forma* interconnection procedures and agreements set forth in Order No. 2006, the Commission has indicated that "non-independent Transmission Providers" would be permitted to propose deviations from the FERC *pro forma* SGIP and SGIA only if the deviations were in response to established regional reliability standards or were "consistent with or superior to" the *pro forma* provisions.⁶ In contrast, the Commission stated that RTOs and ISOs would be allowed to submit SGIP and SGIA terms and conditions that meet an "independent entity variation" standard that is more flexible than the "consistent with or superior to" and regional difference standards.⁷ However, the Commission has directed RTOs or ISOs to explain the basis for each variation from the *pro formas*.⁸

II. CONTENTS OF FILING

This filing comprises:

This Transmittal Letter, which includes justifications for changes

³ See Order 2006-B at P 5 and 6.

⁴ See Order No. 2006-B at P 9.

⁵ *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 70 FR 34100 (Jun. 13, 2005), FERC Stats. & Regs., Regulations Preambles, Vol. III, ¶ 31,180, at 31,406-31,551 (2005); *order on reh'g*, Order No. 2006-A, 70 FR 71760 (Nov. 30, 2005), FERC Stats. & Regs., ¶ 31,196.

⁶ Order No. 2006 at P 546.

⁷ Order No. 2006 at P 549; c.f. Order No. 2003 at P 827.

⁸ Order No. 2006 at P 549.

Attachment A	SGIP Tariff Sheets Blacklined Against Order No. 2006/2006-A Compliance Filing
Attachment B	SGIP Tariff Sheets Clean
Attachment C	Certificate of Service

III. COMMUNICATIONS

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IV. MODIFICATIONS TO THE CAISO PRO FORMA SGIP STUDY AGREEMENTS

1. Location of Standard Contract Provisions

Order No. 2006-B constitutes the Commission's response to SCE's request for clarification of Order No. 2006-A. Given that the CAISO developed its SGIP with input from its stakeholders, including SCE, it is not surprising that the CAISO's prior Order Nos. 2006/2006-A Compliance Filing included, as independent entity variations, many of the modifications directed by Order No. 2006-B. The standard contract provisions incorporated in the CAISO's Order Nos. 2006/2006-A Compliance Filing reflected language previously accepted by the Commission for the CAISO's Large Generator Interconnection Procedures ("LGIP") *pro forma* study agreements, including language on topics such as "binding effect," "conflicts," and "rules of interpretation," which were not

addressed by Order No. 2006-B.⁹ The CAISO does not interpret their omission from Order No. 2006-B as rejection, but rather as an indication that the appropriateness of including these standard contract provisions remains the subject of the Commission's pending determination in this docket. Finally, those modifications required by Order No. 2006-B that were not previously included in the Order Nos. 2006/2006-A Compliance Filing have now been added.

As a result of the CAISO's previously proposed independent entity variations, the standard contract provisions will not appear in the CAISO's *pro forma* SGIP study agreements as the same articles identified in Order No. 2006-B. For the convenience of the Commission and its staff, the following table allows tracking of the changes and whether they were included in the Order Nos. 2006/2006-A Compliance Filing or instead are incorporated in the study agreements for the first time in the instant filing.

Topic – Standard Contract Provision	FERC <i>Pro Forma</i> SGIA Article No.	FERC <i>Pro Forma</i> Feasibility/SIS Article No.	FERC <i>Pro Forma</i> Facilities Article No.	CASIO <i>Pro Forma</i> Feasibility/SIS Article No.	CAISO <i>Pro Forma</i> Facilities Article No.	Included in Order Nos. 2006/2006-A Compliance Filing
Governing Law	12.1	13	11	13.6*	11.6*	N
Amendment	12.2	14	12	13.11	11.11	Y
Third-Party Beneficiaries	12.3	15	13	13.7	11.7	Y
Waiver	12.4	16	14	13.8	11.8	Y
Counterparts	12.6	17	15	13.10	11.10	Y
Partnership	12.7	18	16	13.14	11.14	Y
Severability	12.8	19	17	13.16	11.16	N
Subcontractors	12.11	20	18	13.17	11.17	N
Reservation of Rights	12.12	21	19	13.13	11.13	Y

* The “governing law” section replaces the “entire agreement” provision of the study agreements as filed in the Order Nos. 2006/2006-A Compliance Filing in accordance with Order No. 2006-B.

2. Modifications to Standardized Contract Language and Prior Order Nos. 2006/2006-A Compliance Filing

As noted in the table above, the CAISO is incorporating contract provisions into its *pro forma* study agreement in accordance with Order No. 2006-B for the first time through this compliance filing with respect to (1) governing law, (2) severability, and (3) reservation of rights. For these provisions, the CAISO is utilizing the Commission's *pro forma* language. Similarly, most of the standard contract provisions previously included in the Order Nos. 2006/2006-A Compliance Filing also utilize the Commission's *pro forma* language without modification. There are, however, three exceptions to this.

⁹ *California Independent System Operator Corporation*, 112 FERC ¶ 61,009 (July 1, 2005) and *California Independent System Operator Corporation*, 115 FERC ¶ 61,237 (May 25, 2006); see ISO Tariff Appendix U [Interconnection Feasibility Study Agreement at 13.0 et seq.; Interconnection System Impact Study Agreement at 13.0 et seq.; and Interconnection Facilities Study Agreement at 10.0 et seq.]

a. Changes to Pro Forma Language

First, an additional paragraph has been added to the “waiver” provision that is consistent with prior Commission approved CAISO *pro forma* agreements, such as the Participating Generation Agreement¹⁰ and the LGIP study agreements. The CAISO believes that consistency among its *pro forma* study agreements will reduce ambiguity and potential disputes over application of specific standard provisions.

Second, the “amendment” provisions included in the Order Nos. 2006/2006-A Compliance Filing contained additional language to the effect that any amendment must be “by mutual agreement” of the parties. The purpose of this language, previously approved by the Commission with respect to the LGIP study agreements, is to clarify the standard under which a written instrument modifying the study agreement must be provided. Similarly, as noted above, the CAISO asserts there is value in consistency in standard provisions between the LGIP and SGIP study agreements.

Third, in the “reservation of rights” section, the reference to Transmission Provider has been replaced by the CAISO.

b. Elimination of “Entire Agreement” Provision

Order No. 2006-B expressly rejected inclusion of article 12.5 of the SGIA regarding the “entire agreement” on the basis that “it suggests that the SGIP may not be used to interpret the parties obligations under the study agreements.”¹¹ Accordingly, the CAISO has deleted this standard contract provision from each study agreement as previously filed.

c. Incorporation of Section 4 of the SGIP

Order No. 2006-B also clarified that section 4 of the *pro forma* SGIP applies to the study process.¹² The CAISO notes that the standard contract provisions included in its Order Nos. 2006/2006-A Compliance Filing are wholly consistent with this directive by incorporating specific provisions from section 4 of the SGIP, e.g., 13.1 and 13.2 of the Feasibility Study and SIS.

d. Correction to Location in the ISO Tariff

In the CAISO’s February 10, 2006 Order Nos. 2006/2006-A Compliance Filing, the CAISO identified the SGIP as Appendix X to its Tariff. However, this was incorrect. Previously, on September 22, 2005, as part of the CAISO’s filing of its Simplified and Reorganized Tariff in Docket No. ER01-1501-000, Appendix X was assigned to the Dynamic Scheduling Protocol. To remedy this inadvertent error, Attachment A (clean

¹⁰ See, e.g., ISO Tariff, Appendix B.2 (Participating Generator Agreement) at 11.3.

¹¹ Order No. 2006-B at P 5.

¹² Order No. 2006-B at P 6.

sheets) includes the entire SGIP with attachments, which has been identified as Appendix AA to the ISO Tariff, and the clean sheets have been repaginated to reflect the location of this Appendix AA in the current Simplified and Reorganized Tariff (which had not yet been approved by the Commission at the time of the February 10 Compliance Filing).

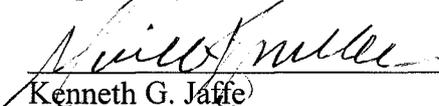
V. EFFECTIVE DATE

Consistent with the CAISO's Order Nos. 2006-2006-A Compliance Filing, and this filing's function as an amendment to that document, the CAISO requests that the Commission make this filing effective on the date the Commission acts on the CAISO's SGIA/SGIP filing as set forth in Order No. 2006 at P 545.

VI. CONCLUSION

For the reasons set forth above, the CAISO respectfully requests that the Commission accept its *pro forma* SGIP study agreements for incorporation into the CAISO Tariff.

Respectfully submitted,



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Dated: October 25, 2006

ATTACHMENT A

* * *

ISO TARIFF APPENDIX XAA
SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)

* * *

Attachment 6

Feasibility Study Agreement

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.~~

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 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.

* * *

13.16 Severability. If any provisions 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.

13.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

* * *

Attachment 7

System Impact Study Agreement

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.

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 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.

* * *

13.16 Severability. If any provisions 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.

13.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

* * *

Attachment 8

Facilities Study Agreement

- 11.6 ~~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.~~

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 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.

* * *

- 11.16 Severability. If any provisions 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.
- 11.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

* * *

ATTACHMENT B

ISO TARIFF APPENDIX AA
SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)

**SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)**

(For Generating Facilities No Larger Than 20 MW)

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SECTION 1. OBJECTIVES, DEFINITIONS, AND INTERPRETATION.

1.1 Objectives.

The objective of this SGIP is to implement FERC's Order No. 2006 setting forth the requirements for Small Generating Facility interconnections to the ISO Controlled Grid.

1.2 Definitions.

1.2.1 Master Definitions Supplement.

Unless the context otherwise requires, any word or expression defined in the Master Definitions Supplement to the ISO Tariff shall have the same meaning where used in this SGIP. A reference to a Section or an Appendix is a reference to a Section or an Appendix of the ISO Tariff. References to SGIP are to this Protocol or to the stated paragraph of this Protocol.

1.2.2 Special Definitions for this SGIP.

In this SGIP, the following words and expressions shall have the meanings set opposite them:

"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, ISO, or Participating TO, or any affiliate thereof.

"Party" or "Parties" shall mean the ISO, Participating TO(s), Interconnection Customer or the applicable combination of the above.

"Study Process" shall mean the procedure for evaluating an Interconnection Request that includes the Scoping Meeting, feasibility study, system impact study, and facilities study, as set forth in Section 3 of this SGIP.

1.2.3 Rules of Interpretation.

- (a) Unless the context otherwise requires, if the provisions of this SGIP and the ISO Tariff conflict, the ISO Tariff will prevail to the extent of the inconsistency.
- (b) A reference in this SGIP to a given agreement, ISO Protocol 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.
- (c) The captions and headings in this SGIP are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this SGIP.
- (d) This SGIP shall be effective as of the date specified by FERC.

SECTION 2. APPLICATION

The applicability of this SGIP is set forth in Section 5.7 of the ISO Tariff. As specified in more detail in Section 5.7 of the ISO Tariff, these procedures are applicable to each new Generating Facility with a Generating Facility Capacity of 20 MW or less, or the expansion of an existing Generating Facility with a resultant Generating Facility Capacity of 20 MW or less, that seeks to

interconnect to the ISO Controlled Grid. Any proposed interconnection of a new Generating Facility to a Participating TO's Distribution System will be processed, as applicable, pursuant to the applicable Participating TO's Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements of the Participating TO. For any proposed interconnection of a new Generating Facility with a Generating Facility Capacity of 20 MW or less wherein the Interconnection Customer desires the ISO to perform a Deliverability Assessment, the Interconnection Customer shall submit an Interconnection Request to the ISO under the Large Generator Interconnection Procedures in lieu of these Small Generator Interconnection Procedures, as specified in Section 2.8 of this SGIP.

2.1 Applicability

- 2.1.1 A request to interconnect a Small Generating Facility to the ISO Controlled Grid shall be evaluated under the Study Process set forth in Section 3 of this SGIP.
- 2.1.2 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 2.1.3 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the ISO's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The ISO shall respond within 15 Business Days.
- 2.1.4 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all transmission providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 2.1.5 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

2.2 Pre-Application

The ISO shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the ISO's Internet web site. The ISO Controlled Grid information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the ISO Controlled Grid, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The ISO shall comply with reasonable requests for such information.

2.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the ISO, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date and time stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the ISO within three (3) Business Days of receiving the Interconnection Request. The ISO shall notify the Interconnection Customer within ten (10) Business Days of the receipt of the Interconnection Request as to whether the

Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the ISO shall provide a notice that the Interconnection Request is incomplete, along with a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the ISO.

2.4 Modification of the Interconnection Request

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

2.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

2.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

2.5.2 An option to purchase or acquire a leasehold site for such purpose; or

2.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

2.6 Queue Position

The ISO shall assign a Queue Position based upon the date- and time- stamp of the Interconnection Request, if such request is deemed complete; otherwise, the Queue Position will be assigned based upon the date a request is deemed complete. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The ISO shall maintain a single queue for the ISO Control Area. At the ISO's option, in coordination with the applicable Participating TO, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

2.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

2.8 Request for Deliverability Assessment

An Interconnection Customer seeking to interconnect to the ISO Controlled Grid that desires to have a Deliverability Assessment performed for the Small Generating Facility shall be required to have its Interconnection Request processed under the Large Generator Interconnection Procedures (SGIP) or ISO Tariff Appendix W, as applicable.

SECTION 3. STUDY PROCESS

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility to the ISO Controlled Grid.

3.1.1 Centralized Study Process

- 3.1.1.1 The ISO will be the single point of contact for Interconnection Customer.
- 3.1.1.2 The ISO will be the central point of coordination to involve any Affected Systems.
- 3.1.1.3 The ISO will collect and disburse monies received from Interconnection Customers.
- 3.1.1.4 The ISO will execute interconnection study agreements. Under the direction and oversight of the ISO, the applicable Participating TO shall perform the required small generator interconnection studies and any additional studies the ISO determines to be reasonably necessary, unless otherwise agreed to by the Interconnection Customer, Participating TO and the ISO. The study results and final study report must be approved by the ISO.

3.2 Scoping Meeting

- 3.2.1 A Scoping Meeting will be held within ten (10) Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The ISO, applicable Participating TO, and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
- 3.2.2 The purpose of the Scoping Meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the ISO should conduct, or caused to be performed, a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the ISO shall provide the Interconnection Customer, within fifteen (15) Business Days after the Scoping Meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- 3.2.3 The Scoping Meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within fifteen (15) Business Days. If the Parties agree not to perform a feasibility study, the ISO shall provide the Interconnection Customer, no later than fifteen (15) Business Days after the Scoping Meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

- 3.3.1 The feasibility study shall identify any potential adverse system impacts or financial impacts, if any, on Local Furnishing Bonds that would result from the interconnection of the Small Generating Facility.

- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 will be required from the Interconnection Customer.
- 3.3.3 The scope of, and cost responsibilities for, the feasibility study are described in the attached feasibility study agreement.
- 3.3.4 If the feasibility study shows no potential for adverse system impacts and financial impacts on Local Furnishing Bonds, the ISO shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Participating TO shall send the Interconnection Customer an executable interconnection agreement within twenty (20) Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts or financial impacts on Local Furnishing Bonds, the review process shall proceed to the appropriate system impact study(s).
- 3.3.6 If re-study of the feasibility study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to SGIP Section 2.4, or any other effective change in information which necessitates a re-study, the ISO shall notify the Interconnection Customer in writing. Such re-study shall take not longer than thirty (30) Business Days from the date of the notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts, including Local Furnishing Bond impacts, that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
- 3.4.2 If no ISO Controlled Grid system impact study is required, but potential electric power Distribution System adverse system impacts or Local Furnishing Bond impacts are identified in the Scoping Meeting or shown in the feasibility study, a Distribution System impact study must be performed by the applicable Participating TO. The applicable Participating TO shall send the Interconnection Customer a Distribution System impact study agreement within fifteen (15) Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the Scoping Meeting if no feasibility study is to be performed.
- 3.4.3 In instances where the feasibility study or the Distribution System impact study shows potential for ISO Controlled Grid adverse system impacts or Local Furnishing Bond adverse impacts, within five (5) Business Days following transmittal of the feasibility study report, the ISO shall send the Interconnection Customer a system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.
- 3.4.4 If an ISO Controlled Grid system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no Distribution System impact study has been conducted, the applicable Participating TO shall send the Interconnection Customer a Distribution System impact study agreement.

- 3.4.5 If the feasibility study shows no potential for ISO Controlled Grid, Local Furnishing Bond, or Distribution System adverse system impacts, the ISO shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or the applicable Participating TO shall send an executable interconnection agreement within twenty (20) Business Days, as applicable.
- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within thirty (30) Calendar Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study will be required from the Interconnection Customer.
- 3.4.8 The scope of, and cost responsibilities for, a system impact study are described in the attached system impact study agreement.
- 3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest transmission provider (transmission owner, Regional Transmission Operator, or independent system operator) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.
- 3.4.10 If re-study of the system impact study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to SGIP Section 2.4, or any other effective change in information which necessitates a re-study, the ISO shall notify Interconnection Customer in writing. Such re-study shall take not longer than forty-five (45) Business Days from the date of the notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.
- 3.5 Facilities Study
- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five (5) Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the ISO's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within thirty (30) Calendar Days.
- 3.5.3 The 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 system impact study(s).
- 3.5.4 **[INTENTIONALLY LEFT BLANK]**

- 3.5.5 A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer.
- 3.5.6 The scope of, and cost responsibilities for, the facilities study are described in the attached facilities study agreement.
- 3.5.7 Within 30 Business Days after completion of the facilities study, the Interconnection Customer shall take one of the following actions: (i) agree to pay for Interconnection Facilities and Upgrades identified in the facilities study and request that the Participating TO tender an executable interconnection agreement, (ii) withdraw its Interconnection Request, or (iii) request that the Participating TO tender an executable interconnection agreement despite its disagreement with the costs therein. If requested, the Participating TO shall provide the Interconnection Customer an executable interconnection agreement within twenty (20) Business Days. Upon option (iii) herein, the Interconnection Customer may request that the interconnection agreement be filed unilaterally at FERC.
- 3.5.8 If re-study of the facilities study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to SGIP Section 2.4, or any other effective change in information which necessitates a re-study, the ISO shall notify the Interconnection Customer in writing. Such re-study shall take not longer than forty-five (45) Business Days from the date of the notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

3.5.9 Engineering and Procurement Agreement.

Prior to executing an SGIA, 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 SGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for 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 4. PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

4.1 Reasonable Efforts

The ISO shall make reasonable efforts to meet all time frames provided in these procedures unless the ISO and the Interconnection Customer agree to a different schedule. If the ISO cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

All disputes arising out of or in connection with this SGIP whereby relief is sought by or from ISO shall be settled in accordance with the ISO ADR Procedures. Disputes arising out of or in connection with this SGIP not subject to the ISO ADR Procedures shall be resolved as follows:

4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this section.

4.2.2 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.

4.2.3 If the dispute has not been resolved within two (2) Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

4.2.4 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>.

4.2.5 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.

4.2.6 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 SGIP.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with the provisions of the ISO Tariff regarding metering, including the Metering Protocol of the ISO Tariff.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The ISO and applicable Participating TO must be given at least five (5) Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5 Confidentiality

4.5.1 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 SGIP, 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.

4.5.2 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 SGIP. 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 SGIP, or to fulfill legal or regulatory requirements.

4.5.2.1 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.

4.5.2.2 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.

4.5.3 Notwithstanding anything in this section 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 SGIP, 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 prior to the release of the Confidential Information to FERC. The Party shall notify the other Parties 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.

4.6 Comparability

The ISO shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this SGIP. The ISO shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the applicable Participating TO, its subsidiaries or affiliates, or others.

4.7 Record Retention

The ISO shall maintain for three (3) years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

The Participating TO, with the ISO's review and concurrence, shall issue a SGIA to the Interconnection Customer. After receiving an interconnection agreement from the Participating TO, the Interconnection Customer shall have thirty (30) Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement, or request that the ISO and Participating TO file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the ISO and Participating TO within thirty (30) Business Days, the Interconnection Request shall be deemed withdrawn. After the

interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The ISO shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The ISO will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the ISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider, which may be an Affected System, shall cooperate with the ISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

4.11 Interconnection Handbook Requirements

Interconnection Customer is required to meet the requirements of the applicable Participating TO's Interconnection Handbook. The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of the SGIP and the terms of the Participating TO's Interconnection Handbook, the terms in the SGIP shall govern.

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**SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)**

California Independent System Operator:

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below and evidence of Site Control pursuant to Section 2.5 of this SGIP.

Preamble and Instructions

Request for Deliverability Assessment – Yes ___ No ___

An Interconnection Customer seeking to interconnect to the ISO Controlled Grid that desires to have a Deliverability Assessment performed for the Small Generating Facility is required to have its Interconnection Request processed under the Large Generator Interconnection Procedures (SGIP) or ISO Tariff Appendix W, as applicable.

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the ISO.

Deposit:

The Interconnection Customer shall submit to the ISO a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility
_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___
To Supply Power to the Interconnection Customer? Yes ___ No ___
To Supply Power to Others? Yes ___ No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Participating TO]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ___ Solar ___ Wind ___ Hydro ___ Hydro Type (e.g. Run-of-River): _____

Issued by: Charles F. Robinson, Vice President and General Counsel

Issued on: October 25, 2006

Effective: Date Assigned by Commission

Diesel ___ Natural Gas ___ Fuel Oil ___ Other (state type) _____

Prime Mover: ___ Fuel Cell ___ Recip Engine ___ Gas Turb ___ Steam Turb
___ Microturbine ___ PV ___ Other

Type of Generator: ___ Synchronous ___ Induction ___ Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? ___ Yes ___ No

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this
Interconnection Request: _____ Elevation: _____ ___ Single phase ___ Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? _____

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____
(* Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.
Direct Axis Transient Reactance, X'_d : _____ P.U.
Direct Axis Subtransient Reactance, X''_d : _____ P.U.
Negative Sequence Reactance, X_2 : _____ P.U.
Zero Sequence Reactance, X_0 : _____ P.U.
KVA Base: _____
Field Volts: _____
Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____
 $I_2^2 t$ or K (Heating Time Constant): _____
Rotor Resistance, R_r : _____
Stator Resistance, R_s : _____
Stator Reactance, X_s : _____
Rotor Reactance, X_r : _____
Magnetizing Reactance, X_m : _____
Short Circuit Reactance, X_d'' : _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the ISO prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? ___Yes ___No

Will the transformer be provided by the Interconnection Customer? ___Yes ___No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ___single phase ___three phase? Size: _____kVA
Transformer Impedance: _____% on _____kVA Base

If Three Phase:

Transformer Primary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded
 Transformer Secondary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded
 Transformer Tertiary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
 Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
 Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
 Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
 Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
 Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
 Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
 Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer. Is One-Line Diagram Enclosed?
___ Yes ___ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___ Yes ___ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___ Yes ___ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____ Date: _____

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Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and
the California Independent System Operator Corporation, a California nonprofit public benefit corporation
existing under the laws of the State of California, ("ISO"). Interconnection Customer and ISO each may
be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the ISO
Controlled Grid; and

WHEREAS, Interconnection Customer has requested the ISO to conduct or cause to be performed a
feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the
ISO Controlled Grid, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Master Definitions Supplement, Appendix A of the ISO Tariff.
- 2.0 The Interconnection Customer elects and the ISO shall conduct or cause to be performed an interconnection feasibility study consistent with the standard Small Generator Interconnection Procedures in accordance with the ISO Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. The ISO 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 feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the ISO shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any

Issued by: Charles F. Robinson, Vice President and General Counsel

Issued on: October 25, 2006

Effective: Date Assigned by Commission

potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

- 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection;
 - 6.4 preliminary identification of financial impacts, if any, on Local Furnishing Bonds; and
 - 6.5 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 shall be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 40 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the ISO's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the ISO shall refund such excess within 30 Calendar Days of the invoice without interest.
- 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 4.2 of the SGIP.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 4.5 of the SGIP.
- 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 Section, or other provision hereof or thereof); (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 SGIP or such Attachment or Appendix to the SGIP, 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 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".
- 13.6 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 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.
- 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 ISO. 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 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The ISO 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 Unit, 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 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 other Party of the date and particulars of any such exercise of assignment right(s). 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.
- 13.16 Severability. If any provisions 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.
- 13.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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.

California Independent System Operator Corporation
[Insert name of Interconnection Customer]

_____	_____
Signed _____	Signed _____
Name (Printed): _____	Name (Printed): _____
_____	_____
Title _____	Title _____

**Attachment A to
Feasibility Study Agreement**

Assumptions Used in Conducting the Feasibility Study

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

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the ISO.

System Impact Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and
the California Independent System Operator Corporation, a California nonprofit public benefit corporation
existing under the laws of the State of California, ("ISO"). Interconnection Customer and ISO each may
be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the
ISO Controlled Grid;

WHEREAS, the ISO has completed a feasibility study and provided the results of said study to the
Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility
study.); and

WHEREAS, the Interconnection Customer has requested the ISO to conduct or cause to be performed a
system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the ISO
Controlled Grid, and of any Affected Systems;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Master Definitions Supplement, Appendix A of the ISO Tariff.
- 2.0 The Interconnection Customer elects and the ISO shall conduct or cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the ISO Tariff.
- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The ISO 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 system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, an assessment of the potential magnitude of financial impacts, if any, on Local Furnishing Bonds and a proposed resolution, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A Distribution System impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the ISO has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0 If the ISO uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 8.1 Are directly interconnected with the ISO Controlled Grid; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3 Have a pending higher queued Interconnection Request to interconnect with the ISO Controlled Grid.
- 9.0 A Distribution System impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 40 Business Days after this Agreement is signed by the Parties. An ISO Controlled Grid system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 55 Business Days after this Agreement is signed by the Parties, or in accordance with the ISO queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a Distribution System impact study and one half the good faith estimated cost of an ISO Controlled Grid system impact study shall be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the ISO actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the ISO shall refund such excess within 30 Calendar Days of the invoice without interest.
- 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 4.2 of the SGIP.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 4.5 of the SGIP.
- 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 Section, or other provision hereof or thereof); (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 SGIP or such Attachment or Appendix to the SGIP, 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 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".
- 13.6 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 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.
- 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 ISO. 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 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The ISO 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 Unit, 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 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 other Party of the date and particulars of any such exercise of assignment right(s). 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.

13.16 Severability. If any provisions 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.

13.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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]
[Insert name of Interconnection Customer]

_____	_____
Signed _____	Signed _____
Name (Printed):	Name (Printed):
_____	_____
Title _____	Title _____

**Attachment A to System
Impact Study Agreement**

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the ISO.

Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____
20____ by and between _____,
a _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and
the California Independent System Operator Corporation, a California nonprofit public benefit corporation
existing under the laws of the State of California, ("ISO"). Interconnection Customer and ISO each may
be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the
ISO Controlled Grid;

WHEREAS, the ISO has completed a system impact study and provided the results of said study to the
Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the ISO to conduct or cause to be performed a
facilities study to specify and estimate the cost of the equipment, engineering, procurement and
construction work needed to implement the conclusions of the system impact study in accordance with
Good Utility Practice to physically and electrically connect the Small Generating Facility with the ISO
Controlled Grid.

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Master Definitions Supplement, Appendix A of the ISO Tariff.
- 2.0 The Interconnection Customer elects and the ISO shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the ISO Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost, including, if applicable, the cost of remedial measures that address the financial impacts, if any, on Local Furnishing Bonds, of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Participating TO's Interconnection Facilities and 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.

- 5.0 The ISO may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs shall be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 55 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 40 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 40 Business Days where no Upgrades are necessary, and within 55 Business Days where Upgrades are necessary, of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the ISO's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 Calendar Days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the ISO shall refund such excess within 30 Calendar Days of the invoice without interest.
- 11.0 Miscellaneous.
- 11.1 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 4.2 of the SGIP.
- 11.2 Confidentiality. Confidential Information shall be treated in accordance with Section 4.5 of the SGIP.
- 11.3 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.
- 11.4 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.
- 11.5 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 Section, or other provision hereof or thereof); (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 SGIP or such Attachment or Appendix to the SGIP, 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 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".

- 11.6 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 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.
- 11.7 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.
- 11.8 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 ISO. 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.

- 11.9 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.
- 11.10 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.
- 11.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 11.12 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.
- 11.13 Reservation of Rights. The ISO 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.

- 11.14 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.
- 11.15 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 Unit, 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 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 other Party of the date and particulars of any such exercise of assignment right(s). 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.
- 11.16 Severability. If any provisions 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.
- 11.17 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.

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 Transmission Provider Participating TO or the ISO 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.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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.

California Independent System Operator Corporation
[Insert name of Interconnection Customer]

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title _____ Title _____

**Attachment A to
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement**

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

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

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

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

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

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

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to ISO Controlled Grid.

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 Participating TO.

Is the Small Generating Facility located in Participating TO's service area?

Yes _____ No _____ If No, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Attachment 9 sets forth procedures specific to a wind generating plant. All other requirements of this SGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 2.3 of this SGIP, may provide to the ISO a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the Base Case data as provided for in this SGIP.

No later than six months after submitting an Interconnection Request completed in this manner, or accompanying the Interconnection Customer's return of an executed interconnection study agreement, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the ISO to complete the interconnection study.

ATTACHMENT C

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 25th day of October, 2006 at Folsom in the State of California.

Charity Wilson