

December 17, 2012

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket Nos. ER12-2207-000**

**Compliance with November 5 Order on Small Generator
Interconnection Agreements and Motion for Leave to File Out-
of-Time**

Dear Secretary Bose:

In compliance with the Commission's *Order on Small Generator interconnection Agreements*, issued in the above-captioned docket on November 5, 2012,¹ the California Independent System Operator Corporation ("ISO") submits a revised Small Generator Interconnection Agreement ("SGIA") between the ISO, Western Antelope Dry Ranch, LLC, and Southern California Edison ("SCE"). This SGIA is designated as Service Agreement No. 2566 under the ISO's tariff.

In the November 5 order, the Commission directed the ISO and SCE to remove language in Attachment 2 of the Dry Ranch SGIA relating to the potential reclassification of certain facilities pertaining to the interconnection of the Dry Ranch project from network upgrades to interconnection facilities. Pursuant to the Commission's directive, the ISO has removed Section 18 of Attachment 2 of the Dry Ranch SGIA, which the ISO is submitting as part of this filing in both clean and redline formats.

Motion for Leave to File Out-of-Time

In the November 5 order, the Commission indicated that the ISO and SCE should make compliance filings reflecting the revisions to the Dry Ranch SGIA within 30 days of the date of the order. The ISO respectfully requests that the

¹ 141 FERC ¶ 61,100 (2012).

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Commission grant the ISO leave to make this compliance filing out-of-time. No party will be prejudiced as a result of granting this request. The ISO apologizes for the oversight and regrets any inconvenience caused by this late filing.

Service

The ISO has served copies of this filing on all parties who appear on the official service list compiled by the Commission for this docket. In addition, the ISO has posted a copy of the filing on the ISO website.

Respectfully submitted,

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**SMALL GENERATOR INTERCONNECTION AGREEMENT
(SGIA)
AMONG**

**WESTERN ANTELOPE DRY RANCH LLC
AND**

**SOUTHERN CALIFORNIA EDISON COMPANY
AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION**

PROJECT: Western Antelope Dry Ranch TOT516 (Q653H)

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by Southern California Edison Company , a corporation organized and existing under the laws of the State of California ("Participating TO"), the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO") and Western Antelope Dry Ranch LLC , a limited liability company organized and existing under the laws of the State of Delaware ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Participating TO Information

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152
E-mail Address: william.law@sce.com

CAISO Information

Attention: Mr. Brij Basho, Contracts Negotiator Lead
Address: 250 Outcropping Way
City: Folsom State: CA Zip: 95630
Phone: (916) 608-7136 Fax: (916) 608-7292
E-mail: bbasho@caiso.com

Interconnection Customer Information

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St, Ste. 3065
City: San Francisco State: CA Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001
E-mail Address: a.foltz@silveradopower.com

Interconnection Customer Queue Position number: Q653H

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

ARTICLE 1. SCOPE AND LIMITATIONS OF AGREEMENT

- 1.1 This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the applicable generator procedure (either the Generator Interconnection Procedures (GIP) set forth in Appendix Y or the Small Generator Interconnection Procedures (SGIP) set forth in Appendix S) except for those submitted under the 10 kW Inverter Process contained in GIP Attachment 7 or SGIP Attachment 5. For those Interconnection Requests, Attachment 5 contains the terms and conditions which serve as the Interconnection Agreement.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Participating TO's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the CAISO Tariff.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between or among the Parties.
- 1.5 Responsibilities of the Parties
 - 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (CAISO Tariff Appendix V or Appendix CC, as applicable) to interpret the responsibilities of the Parties under this Agreement.
 - 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
 - 1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The CAISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the CAISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Participating TO and the CAISO shall coordinate with Affected Systems to support the interconnection.

1.5.7 [This provision is intentionally omitted.]

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the CAISO Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the CAISO Tariff for the CAISO Controlled Grid and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of each generating unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all similarly situated generators in the CAISO Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators and the requirements of Attachment 7 shall apply instead.

1.8.2 Payment to the Interconnection Customer for reactive power that the Small Generating Facility provides or absorbs when the CAISO requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 will be made by the CAISO in accordance with the applicable provisions of the CAISO Tariff.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

ARTICLE 2. INSPECTION, TESTING, AUTHORIZATION, AND RIGHT OF ACCESS

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Participating TO and the CAISO of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Participating TO and the CAISO may, at their own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Participating TO and the CAISO a written test report when such testing and inspection is completed.

2.1.2 The Participating TO and the CAISO shall provide the Interconnection Customer written acknowledgment that they have received the

Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Participating TO or the CAISO of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Participating TO and the CAISO shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Participating TO and the CAISO shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Participating TO and the CAISO shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Participating TO's Transmission System without prior written authorization of the Participating TO. The Participating TO will provide such authorization to the Interconnection Customer and the CAISO once the Participating TO receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access to Premises

- 2.3.1 Upon reasonable notice, the Participating TO and the CAISO may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Participating TO and the CAISO at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Participating TO and the CAISO shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

ARTICLE 3. EFFECTIVE DATE, TERM, TERMINATION, AND DISCONNECTION

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Participating TO and the CAISO shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of thirty-five (35) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Participating TO and the CAISO twenty (20) Business Days written notice.

3.3.2 Any Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the CAISO Controlled Grid. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection of the Small Generating Facility or associated Interconnection Facilities shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, the Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the CAISO or the Participating TO may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the CAISO Controlled Grid, the Participating TO's Interconnection Facilities, or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Participating TO or the CAISO may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the CAISO Controlled Grid when necessary for routine maintenance, construction, and repairs on the CAISO Controlled Grid or the Participating TO's electric system. The

Party scheduling the interruption shall provide the Interconnection Customer with (5) five Business Days notice prior to such interruption. The Party scheduling the interruption shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO.

3.4.3 Forced Outages

During any forced outage, the Participating TO or the CAISO may suspend interconnection service to effect immediate repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Participating TO or the CAISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Participating TO or the CAISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection. The Interconnection Customer shall notify CAISO, as soon as practicable, of all forced outages or reductions of the Small Generating Facility in accordance with the CAISO Tariff.

3.4.4 Adverse Operating Effects

The Participating TO or the CAISO shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the CAISO Controlled Grid, the Participating TO's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Participating TO or the CAISO may disconnect the Small Generating Facility. The Participating TO or the CAISO shall provide the Interconnection Customer with (5) five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Participating TO and the CAISO before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the CAISO Controlled Grid or the Participating TO's electric system. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, the Participating TO's electric system, and the CAISO Controlled Grid to their normal operating state as soon as reasonably practicable following a temporary disconnection.

ARTICLE 4. COSTS FOR INTERCONNECTION FACILITIES & DISTRIBUTION UPGRADES

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Participating TO shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the CAISO, and the Participating TO.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Participating TO's Interconnection Facilities.

4.2 Distribution Upgrades

The Participating TO shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

ARTICLE 5. COST RESPONSIBILITY FOR NETWORK UPGRADES

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Participating TO shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Participating TO elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.3 Transmission Credits

No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 5.3.1.

5.3.1 Repayment of Amounts Advanced for Network Upgrades

5.3.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

Upon the Commercial Operation Date of a Generating Facility that is not a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to the Participating TO for the cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years from the Commercial Operation Date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years from the Commercial Operation Date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the amount paid to the Participating TO for the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, if all of the following conditions are satisfied:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the SGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the SGIA;
- (d) The Interconnection Customer has tendered notice pursuant to the SGIA that the phase has achieved Commercial Operation;
- (e) All parties to the SGIA have agreed that the completed phase meets the requirements set forth in the SGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the SGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility.

Upon satisfaction of these conditions (a) through (g), the Interconnection Customer shall be entitled to receive a partial repayment of its financed cost responsibility in an amount equal to the percentage of the Generating Facility declared to be in Commercial Operation multiplied by the cost of the Network Upgrades associated with the completed phase. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed.

If the SGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then

defaults on the SGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases, provided that the party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount for completion of a phase shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years from the Commercial Operation Date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years from the Commercial Operation Date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.3 Interest Payments and Assignment Rights

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this Agreement is in effect. The Interconnection Customer may assign such repayment rights to any person.

5.3.1.4 Failure to Achieve Commercial Operation

5.3.2 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the applicable generation interconnection procedure under which the Small Generating Facility was processed (SGIP or GIP). Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.

5.3.3 Rights Under Other Agreements

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

ARTICLE 6. BILLING, PAYMENT, MILESTONES, AND FINANCIAL SECURITY

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Participating TO shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

6.1.2 Within six (6) months of completing the construction and installation of the Participating TO's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Participating TO shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Participating TO for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Participating TO shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Participating TO within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Participating TO shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this

provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, as defined in article 7.5.1, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Parties affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) they will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) they have reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements for Small Generating Facilities Processed Under the Fast Track Process or Small Generating Facilities Processed under SGIP

The terms and conditions of this Article 6.3 shall apply only to:

1. Small Generating Facilities that are no larger than 5 MW that are processed under the Fast Track Process under the Generation Interconnection Procedures, CAISO Tariff Appendix Y; and
2. Small Generating Facilities processed under the Small Generation Interconnection Procedures set forth in CAISO Tariff Appendix S. In such case, the terms of Article 6.4 below do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.3 applies:

THIS ARTICLE 6.3 APPLIES

6.3.1 At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Participating TO's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO under this Agreement during its term.

6.3.2 If a guarantee is provided, the guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that

may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.3 If a letter of credit or surety bond is provided, the letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

6.4 Financial Security Arrangements for All Other Small Generating Facilities

The terms of this Article 6.4 apply to Small Generating Facilities that have been processed under either

1. the Cluster Study Process or
2. the Independent Study Track Process

of the Generation Interconnection Procedures set forth in CAISO Tariff Appendix Y. In such case, the provisions of Article 6.3 do not apply to this Agreement.

In such case, the terms of Article 6.3 above do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.4 applies:

THIS ARTICLE 6.4 APPLIES

6.4.1 The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 9 of the GIP in a manner acceptable under Section 9 of the GIP. Failure by the Interconnection Customer to timely satisfy the GIP's requirements for the provision of Financial Security shall be deemed a breach of this Agreement and a condition of Default of this Agreement.

6.4.2 Notwithstanding any other provision in this Agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide Interconnection Customer with written notice of any Default due to timely failure to post Financial Security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required Interconnection Financial Security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed terminated.

ARTICLE 7. ASSIGNMENT, LIABILITY, INDEMNITY, FORCE MAJEURE, AND DEFAULT

7.1 Assignment

This Agreement may be assigned by any Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Parties; provided that:

7.1.1 Any Party may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Participating TO and the CAISO of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Participating TO or the CAISO, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Participating TO and the CAISO of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental,

military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of another Party. Upon a Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2 and in Article 6.4.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

ARTICLE 8. INSURANCE

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Participating TO or CAISO, except that the Interconnection Customer shall show proof of insurance to the Participating TO and CAISO no later than 10 Business Days prior to the anticipated Commercial Operation Date. If the Interconnection Customer is of sufficient credit-worthiness, it may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Participating TO agrees to maintain general liability insurance or self-insurance consistent with the Participating TO's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Participating TO's liabilities undertaken pursuant to this Agreement.
- 8.3 The CAISO agrees to maintain general liability insurance or self-insurance consistent with the CAISO's commercial practice. Such insurance shall not exclude coverage for the CAISO's liabilities undertaken pursuant to this Agreement.
- 8.4 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

ARTICLE 9. CONFIDENTIALITY

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall

hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

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

ARTICLE 10. DISPUTES

All disputes arising out of or in connection with this Agreement whereby relief is sought by or from CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as reference to this Agreement. Disputes arising out of or in connection with this Agreement not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

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

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

- 10.3 If the dispute has not been resolved within 2 Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

ARTICLE 11. TAXES

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

ARTICLE 12. MISCELLANEOUS

- 12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

- 12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by all of the Parties, or under article 12.12 of this Agreement.

- 12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations,

associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent

jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

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

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Participating TO or the CAISO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable

obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 Reservation of Rights

The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

Introductory Paragraph, 1.1, 1.2, 1.3, 1.4, 1.5.1, 1.5.2, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.6, 1.7, 1.8.1, 1.9, 2.1, 2.2.1, 2.3, 3, 4.1.1 (last sentence only), 5.1, 5.3, 6.2, 7, 8, 9, 11, 12, 13, Attachment 1, Attachment 4, Attachment 5, and Attachment 7.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

2.2.2, 4.1.1 (all but the last sentence), 4.1.2, 4.2, 5.2, 6.1.1 (all but the last sentence), 6.1.2, 6.3, 10 (all but preamble), Attachment 2, Attachment 3 and Attachment 6.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

1.8.2, 6.1.1 (last sentence only) and 10 (preamble only).

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall

limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise mutually agree as provided herein.

ARTICLE 13. NOTICES

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St. Ste 3065
City: San Francisco State: CA Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001

If to the Participating TO:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152

If to the CAISO: California Independent System Operator

Attention: Ms. Roni Reese, Sr. Contract Analyst
Address: 250 Outcropping Way
City: Folsom State: CA Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-7292

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Maggie Spangler
Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: CA Zip: 94104

Participating TO: Southern California Edison Company
Attention: Accounts Receivable (GCM)
Address: P. O. Box 800

2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by any Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: California Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001
E-mail address: a.foltz@silveradopower.com

If to the Participating TO:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152
E-mail Address: william.law@sce.com

If to the CAISO:

If to the CAISO: California Independent System Operator
Attention: Ms. Roni Reese, Sr. Contract Analyst
Address: 250 Outcropping Way
City: Folsom State: California Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-7292
E-mail Address: rreese@caiso.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Street Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: California Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001

Participating TO's Operating Representative:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Street Address: 2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: 626-302-9640 Fax: 626-302-1152

CAISO's Operating Representative

California Independent System Operator Corporation
Attention: Mr. Robert Kott
Address: 250 Outcropping Way
City: Folsom State: California Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-5762

13.5 Changes to the Notice Information

Any Party may change this information by giving five (5) Business Days written notice to the other Parties prior to the effective date of the change.

ARTICLE 14. SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For Southern California Edison Company

By: _____

Name: Kevin M. Payne

Title: Vice President, Engineering & Technical Services, TDBU

Date: _____

For California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

For Western Antelope Dry Ranch LLC

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 1

Glossary of Terms

Affected System – An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the CAISO Controlled Grid.

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

Balancing Authority Area - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Business Day – Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid – The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff – The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Commercial Operation Date – The date on which a Small Generating Facility commenced generating electricity for sale as agreed upon by the Participating TO and the Interconnection Customer and in accordance with any implementation plan agreed to by the Participating TO and the CAISO for multiple individual generating units or project phases at a Small Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those generating units or project phases.

Default – The failure of a breaching Party to cure its breach under this Agreement.

Distribution System – Those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades – The additions, modifications, and upgrades to the Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and

expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

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

Interconnection Handbook – A handbook, developed by the Participating TO and posted on the Participating TO's website or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's Transmission System, as such handbook may be modified or superseded from time to time. The Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and applicable reliability standards.

Interconnection Request – A request, in accordance with the CAISO Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the CAISO Controlled Grid.

CAISO Controlled Grid – The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff – The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Participating TO's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the CAISO Controlled Grid to accommodate the interconnection of the Small

Generating Facility with the CAISO Controlled Grid. Network Upgrades do not include Distribution Upgrades.

Operational Control – The rights of the CAISO under a Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Operating Requirements – Any operating and technical requirements that may be applicable due to the CAISO, Western Electricity Coordinating Council, Balancing Authority Area, or the Participating TO's requirements, including those set forth in this Agreement.

Phased Generating Facility – A Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this SGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Generating Facility.

Party or Parties – The Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Participating TO's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Transmission Control Agreement – CAISO FERC Electric Tariff No. 7.

Transmission System – The facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Upgrades – The required additions and modifications to the Participating TO's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

ATTACHMENT 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Participating TO. The Participating TO will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

The Participating TO's Interconnection Facilities, Network Upgrades and Distribution Upgrades described in this Attachment 2 are based on the Participating TO's preliminary engineering and design. Such descriptions are subject to modification to reflect the actual facilities constructed and installed following the Participating TO's final engineering and design, identification of field conditions, and compliance with applicable environmental and permitting requirements.

1. Interconnection Facilities.

- (a) **Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall:
- (i) Install a substation with one (1) 66/12.47 kV main step-up transformer with an 8.0 percent impedance on a 10 MVA base.
 - (ii) Install a new 66 kV generation tie-line from the Small Generating Facility to a position designated by the Participating TO, outside of the Participating TO's Antelope Substation, where Interconnection Customer shall install a structure ("Last Structure"). This generation tie-line will be referred to as the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line. The right-of-way for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line shall extend up to the edge of the Antelope Substation property line.
 - (iii) Install a main breaker or ring bus between Antelope Substation and all shared projects on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
 - (iv) Install fiber optical cable (either ADSS or optical ground wire) on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line to provide one of two telecommunication paths required for the line protection and the Remote Terminal Unit ("RTU"). A minimum of eight (8) strands within the fiber optical cable shall be provided for the Participating TO's exclusive use into Antelope Substation.
 - (v) Install appropriate single-mode fiber-optic cables for the diverse telecommunication paths and panels to terminate the telecommunication fiber-optic cables for both diverse telecommunication paths, as specified by the Participating TO to match the telecommunication equipment used by the Participating TO at Antelope Substation and at the Small Generating Facility, in order to protect the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.

- (vi) Own, operate and maintain both telecommunication paths (including any fiber-optic cables, and appurtenant facilities) from the Point of Change of Ownership to the Small Generating Facility, with the exception of the terminal equipment at the Small Generating Facility, which terminal equipment will be installed, owned, operated and maintained by the Participating TO.
- (vii) Allow the Participating TO to review the Interconnection Customer's telecommunication equipment design and perform inspections to ensure compatibility with the Participating TO's terminal equipment and protection engineering requirements; allow the Participating TO to perform acceptance testing of the telecommunication equipment and the right to request and/or to perform correction of installation deficiencies.
- (viii) Install one (1) dedicated 125 VDC circuit, one (1) dedicated 115 VAC convenience circuit and required station interface data connections up to the Participating TO's RTU located at the Small Generating Facility.
- (ix) Make available adequate space and facilities necessary for the installation of the Participating TO's RTU.
- (x) Provide sufficient floor space within a secure building having suitable environmental controls for the Participating TO to install and operate one (1) 8-foot high by 19-inch wide communications equipment rack; provide either one (1) 115 VAC dedicated circuit (separate from the RTU) or a 130 VDC dedicated circuit to power the communications equipment rack at the Small Generating Facility site.
- (xi) Install an optical entrance cable extending the fiber optic cable communications to a patch panel in the Participating TO's communications equipment rack specified above.
- (xii) Install all required CAISO-approved compliant metering equipment at the Small Generating Facility, in accordance with Section 10 of the CAISO Tariff.
- (xiii) Install revenue metering equipment (typically, voltage and current transformers with an accuracy of 0.3% and 0.15%, respectively; associated cabinetry and wiring) at the Small Generating Facility to meter the Small Generating Facility retail load, as specified by the Participating TO.
- (xiv) Provide a metering cabinet and sufficient space for the Participating TO to install its retail metering equipment and related meters. Such equipment must be placed at a location that would allow twenty-four hour access for the Participating TO's metering personnel.
- (xv) Allow the Participating TO to install revenue meters and appurtenant equipment required to meter the retail load at the Small Generating Facility.
- (xvi) Install appropriate relay protection for the diverse telecommunication paths. Relay protection to be specified by the Participating TO to match the relay protection used by the Participating TO at Antelope Substation and at the Small Generating Facility, in order to protect the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line, as follows:
 1. One (1) G.E. L90 current differential relay with dual dedicated digital communication channels to Antelope Substation.
 2. One (1) SEL 311L current differential relay with dual dedicated digital communication channels to Antelope Substation.

(xvii) Install disconnect facilities in accordance with the Participating TO's Interconnection Handbook to comply with the Participating TO's switching and tagging procedures.

(b) **Participating TO's Interconnection Facilities.** The Participating TO shall:

(i) **Antelope Substation.**

1. Install dead-end structure, insulators and line drop, as necessary, to terminate the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
2. Three (3) voltage transformers with steel pedestal support structures.
3. Install the following relays for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line
 - a. One GE L90 line current differential relay with dual dedicated digital communication channels to the Small Generating Facility.
 - b. One SEL-311 line current differential relay with dual dedicated digital communication channels to the Small Generating Facility.
4. Install new telecommunication equipment to support the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line protection, SCADA and the Participating TO's applicable voice and data requirements.

(ii) **Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.**

1. Install appropriate number of 66 kV poles including insulators, hardware assemblies, and appropriate number of spans of conductors and fiber optic cable between the last Interconnection Customer-owned pole structure on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line. It is expected that the actual location and number of 66 kV poles and number of spans will be determined as part of final engineering performed upon execution of this SGIA. Studies for this project assumed six 66 kV structure and seven spans. Upon completion of final engineering, the SGIA shall be amended accordingly, subject to FERC's acceptance, for any significant scope changes or modifications.

(iii) **Telecommunications.** Install new telecommunication equipment to support the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line protection, SCADA and the Participating TO's applicable voice and data requirements.

1. Install all required light-wave, channel, fiber optic cables and associated equipment (including terminal equipment at both Antelope Substation and Small Generating Facility), supporting diverse protection, RTU and SCADA requirements for the interconnection of the Small Generating Facility. Notwithstanding that certain telecommunication equipment, including the telecommunications terminal equipment, will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain such telecommunication equipment as part of the Participating TO's Interconnection Facilities

2. Install approximately 1300 feet of optical fiber cable to extend the OPGW from the Last Structure into the communication room at Antelope Substation.
3. Install approximately 1300 feet of optical fiber cable to extend the customer's diverse telecommunication path from Antelope Substation property line into the communication room at Antelope Substation.
4. Install circuit cross connections to support the interconnection of the RTU.

(iv) **Real Properties, Transmission Project Licensing, and Environmental Health and Safety.**

Obtain easements and/or acquire land, obtain licensing and permits, and perform all required environmental activities for the installation of the Participating TO's Interconnection Facilities, including any associated equipment for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line, and telecommunication route from the Last Structure into Antelope Substation.

(v) **Metering.**

Install revenue meters required to meter the retail load at the Small Generating Facility. Notwithstanding that the metering cabinet and meters will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain such facilities as part of the Participating TO's Interconnection Facilities.

(vi) **Power System Control.**

Install one (1) RTU at the Small Generating Facility to monitor typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status for the Small Generating Facility and plant auxiliary load, and transmit the information received thereby to the Participating TO's Grid Control Center. Notwithstanding that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.

2. Network Upgrades. See Attachment 6, Section 1.

3. Distribution Upgrades. See Attachment 6, Section 2.

4. Affected System Upgrades. Not Used.

5. Point of Change of Ownership.

- (a) Antelope - Western Antelope Dry Ranch 66 kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line attach to the Last Structure, which will be connected on the side of the Last Structure facing Antelope Substation. The Interconnection Customer shall own and maintain the Last Structure, the conductors, insulators and jumper loops from such Last Structure to the Interconnection Customer's Small Generating Facility. The Participating TO will own and maintain the

Antelope Substation, as well as all circuit breakers, disconnects, relay facilities and metering within the Antelope Substation, together with the line drop, in their entirety, from the Last Structure to Antelope Substation. The Participating TO will own the insulators that are used to attach the Participating TO-owned conductors to the Last Structure.

- (b) Telecommunication fiber optic cable: The Point of Change of Ownership shall be the point where the fiber optic cable (either ADSS or optical ground wire) for the Antelope – Western Antelope Dry Ranch 66 kV Transmission Line is attached to the Last Structure as well as the jumper loops used to connect the Participating TO-owned conductors to the Interconnection Customer-owned conductors.
- (c) Telecommunication diverse fiber optic cable: The Point of Change of Ownership shall be the point where the fiber-optic cable is attached to the Last Structure.

6. Point of Interconnection. The Participating TO's Antelope 66 kV Substation at the 66 kV bus.

7. One-Line Diagram of Interconnection to Antelope 66 KV Substation.

See Attachment 3.

8. Additional Definitions. For the purposes of these Attachments, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:

- (a) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.
- (b) Annual Tax Security Reassessment: In accordance with the directives of FERC Orders 2003-A and 2003-B associated with Section 11 of this Attachment 2, the annual reassessment of the current tax liability, which will commence the first year after Interconnection Customer's in-service date.
- (c) Applicable Reliability Council: The Western Electricity Coordinating Council or its successor.
- (d) Applicable Reliability Standards: The requirements and guidelines of the North American Electric Reliability Corporation (NERC), the Applicable Reliability Council, and the Balancing Authority Area of the Participating TO's Transmission System to which the Generating Facility is directly interconnected, including the requirements adopted pursuant to Section 215 of the Federal Power Act.
- (e) Back Feed: Retail service for energy delivered to and used by IC in accordance with applicable CPUC rules & regulations.

- (f) Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- (g) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities or to the Distribution Upgrades. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; Distribution Upgrades; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; Distribution Upgrades; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities or Distribution Upgrades, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; and the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost or the Distribution Upgrades Cost.
- (h) Capital Additions Cost: All costs, excluding One-Time Cost, determined by Distribution Provider to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- (i) CPUC: The California Public Utilities Commission, or its regulatory successor.
- (j) Credit Support: A parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 6.3 or Article 6.4, as applicable of the SGIA.
- (k) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Attachment 2.
- (l) Delivery Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined in the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Attachment 2.
- (m) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- (n) Distribution Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding ITCC and One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of

the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Attachment 2.

- (o) Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 17 of this Attachment 2.
- (p) Effective Date: The date on which this Agreement becomes effective pursuant to Article 3.1.
- (q) Electric Generating Unit: An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.
- (r) In-Service Date: The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Participating TO's Interconnection Facilities to obtain back feed power.
- (s) Initial Synchronization Date: The date upon which an Electric Generating Unit is initially synchronized and upon which Trial Operation begins.
- (t) Interconnection Customer's Interconnection Facilities: All facilities and equipment, as identified in Attachment 2 of this SGIA, that are located between the Small Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Small Generating Facility to the Participating TO's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.
- (u) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Attachment 2.
- (v) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- (w) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Attachment 2.
- (x) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Attachment 2.

- (y) ITCC (Income Tax Component of Contribution): The ITCC is equal to the estimated tax liability as described in FERC Order 2003 and FERC Order 2003-A and applicable to this SGIA pursuant to Article 1.5.1. ITCC is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Attachment 2 and is shown in Section 15 of this Attachment 2.
- (z) NERC: The North American Electric Reliability Corporation or its successor organization.
- (aa) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.
- (bb) Participating TO's Delivery Network Upgrades: The additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Attachment 6, to relieve constraints on the CAISO Controlled Grid.
- (cc) Participating TO's Interconnection Facilities: Those facilities as described in Section 5(b) of this Attachment 2, as such facilities may be modified during the term of this Agreement.
- (dd) Participating TO's Reliability Network Upgrades: The additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Attachment 6, necessary to interconnect the Small Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Small Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Small Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Small Generating Facility's interconnection may have on a path's Applicable Reliability Council rating. Participating TO's Reliability Network Upgrades do not include any Participating TO's Delivery Network Upgrades.
- (ee) Point of Change of Ownership: The point, as set forth in Attachment 3 to this SGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

- (ff) Q660 Project (TOT522): Western Antelope Blue Sky Ranch A Project.
- (gg) Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Attachment 2.
- (hh) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- (ii) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities and Distribution Upgrades.
- (jj) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on electric system facilities.
- (kk) Tax Security: The Interconnection Customer's provision of Security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Section 11 of this Attachment 2.
- (ll) Trial Operation: The period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.
- (mm) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this SGIA, as such "List" may be amended from time to time.

9. Transmission Credits. Pursuant to Article 5.3 of the SGIA, the Interconnection Customer elects to receive repayment of the amounts advanced for its share of the costs of the Network Upgrades, which equals the sum of the Reliability Network Upgrades Payment and the Delivery Network Upgrades Payment, as shown in Section 17 of this Attachment 2.

10. Security Amount for the Distribution Upgrades, the Participating TO's Interconnection Facilities and Network Upgrades.

- (a) **Distribution Upgrades:** Pursuant to Article 6.3 or 6.4 (as applicable) and Attachment 4 of the SGIA, the Interconnection Customer shall provide Credit Support in the total

amount of \$0 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Distribution Upgrades.

- (b) The Participating TO's Interconnection Facilities: Pursuant to Article 6.4 and Attachment 4 of the SGIA, the Interconnection Customer shall provide a total Credit Support in the amount of \$2,441,000 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities.
- (c) Network Upgrades: Pursuant to Article 6.4 and Attachment 4 of the SGIA, the Interconnection Customer shall provide a total Credit Support in the amount of \$563,584 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Network Upgrades.
- (d) To the extent that any Credit Support is not utilized by the Participating TO, the release of such Credit Support shall be made in accordance with the Interconnection Customer's instruction.
- (e) The Phase II Interconnection Study identified shared Reliability Network Upgrades and shared Participating TO's Interconnection Facilities that will be used by a group of projects, Q660 Project (TOT522) and Western Antelope Dry Ranch Project. The Credit Support that must be posted for the shared Reliability Network Upgrades and shared Participating TO's Interconnection Facilities were calculated by assigning a pro rata share of the costs to each of the projects based on the number of projects that will use the relevant facilities at the time when the Credit Support for Q660 Project (TOT522) and Western Antelope Dry Ranch Project must be posted. If, prior to the completion of construction of the shared Reliability Network Upgrades or shared Participating TO's Interconnection Facilities, any of the interconnection requests for these projects are withdrawn or any of the interconnection agreements for these projects are terminated, the Credit Support obligation for shared Reliability Network Upgrades or shared Participating TO's Interconnection Facilities, as applicable, shall be reallocated and divided among the remaining projects in the group. If such an event occurs, this SGIA shall be amended accordingly to reflect the Interconnection Customer's updated Credit Support obligations.

11. Security Amount for Estimated Tax Liability. The Interconnection Customer's estimated tax liability is as follows:

$$\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation}) / (1 - \text{Current Tax Rate}) = 35\%$$

$$\text{Estimated tax liability for Distribution Upgrades} = 35\% \times (\text{Distribution Upgrades Cost}) = 35\% \times (\$0) = \$0$$

$$\text{Estimated tax liability for Participating TO's Interconnection Facilities} = 35\% \times (\text{Interconnection Facilities Cost}) = 35\% \times \$2,441,000 = \$854,350$$

Estimated tax liability assumes the following costs:

Interconnection Facilities Cost = \$2,441,000

Distribution Upgrades Cost = \$0

Based upon the total estimated tax liability, the Interconnection Customer shall provide the Participating TO cash, or a letter of credit in the amount of \$854,350, pursuant to Attachment 4 of the SGIA. The cash or letter of credit shall be in the form provided for in Section 6.4 of the SGIA.

Upon notification of the Annual Tax Security Reassessment, the Interconnection Customer shall modify its Tax Security accordingly. If the Annual Tax Security Reassessment results in a deficiency in the Tax Security amount, the Interconnection Customer will be required to increase its Tax Security Amount within 30 days after receipt of the deficiency notification. If the Annual Tax Security Reassessment results in a reduction of the Tax Security amount, the Interconnection Customer may choose to reduce its Tax Security amount or maintain the Tax Security in the current amount for the following year.

The Annual Tax Security Reassessment will be calculated utilizing the following methodology:

- 1) Tax Assessment Event:

$$\frac{((\text{Current Tax Rate} \times (\text{Gross income} - \text{NPV Tax Depreciation})) + \text{Interest})}{(1 - \text{Current Tax Rate})}$$
- 2) Subsequent Taxable Event:

$$\frac{(\text{Current Tax Rate} \times (\text{Replacement Facility Cost} - \text{NPV Tax Depreciation}))}{(1 - \text{Current Tax Rate})}$$

The Credit Support obligation required in this Article 11 shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations.

12. Removal of the Participating TO's Interconnection Facilities and Distribution

Upgrades. Following termination of the SGIA, where such termination is not in accordance with Section 18 of Attachment 2, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer, pursuant to Article 3.3 of the SGIA. On or before the date one year following termination of the SGIA, the Participating TO shall notify the Interconnection Customer as to whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Participating TO shall physically remove such

facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

13. Charges.

- (a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the SGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Section 14(g) of this Attachment 2; (viii) Removal Cost pursuant to Section 12 of this Attachment 2; (ix) termination charges pursuant to Article 3.3.4 of the SGIA; (x) disconnection costs pursuant to Article 3.3.3 of the SGIA; and (xi) suspension costs if suspension of work under this SGIA is permitted by the CAISO and the Participating TO.
- (b) The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, Capital Additions Cost, One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.
- (c) If, during the term of the SGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) that contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.
- (d) If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions; and no adjustment will be made to the Interconnection Facilities Cost or the Distribution Upgrades Cost; and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.

14. Supplemental Billing and Payment Provisions.

- (a) Pursuant to Article 6 of the SGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment and Reliability Network Upgrades Payment.
- (b) Pursuant to Article 4.1.2 of the SGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The

Interconnection Facilities Charge shall initially be based on the estimated Interconnection Facilities Cost, as specified in Section 15 of this Attachment 2, and payments made for such Interconnection Facilities Charge shall be subject to later adjustment pursuant to Sections 14(b)(i) and 14(b)(ii) of this Attachment 2. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.

- (i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (iii) Commencing on or following the Distribution Upgrades Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge shall initially be based on the estimated Distribution Upgrades Cost for the applicable Distribution Upgrades, as specified in Section 15 of this Attachment 2, and payments made for such Distribution Upgrades Charge shall be subject to later adjustment pursuant to Section 14(c)(i) and 14(c)(ii) of this Attachment 2. The Distribution Upgrades Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months. If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (iv) If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.

- (c) In the event that any portion of the Participating TO's Interconnection Facilities is not complete but, at the request of the Interconnection Customer, the Participating TO commences interconnection service under this SGIA notwithstanding the incomplete facilities, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.
- (d) In accordance with Article 4.1.2 of the SGIA, the Participating TO shall submit invoices to the Interconnection Customer for the preceding month for Capital Additions payments due, if any.
 - (i) For Capital Additions that are the cost responsibility of the Interconnection Customer, the Participating TO will provide at least sixty (60) calendar days advance written notification to the Interconnection Customer prior to commencing work, except that the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced, at the Participating TO's sole discretion, if the Participating TO determines that the Capital Additions are required to comply with safety or regulatory requirements or to preserve system integrity or reliability. Any such written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer, which is sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 6 of the SGIA.
 - (ii) Except as provided in Section 13(d) of this Attachment 2, if certain of the Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted to reflect the change in the Interconnection Facilities Cost as of the in-service date of such Capital Additions.
 - (iii) Except as provided in Section 13(d) of this Attachment 2, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.
- (e) As soon as reasonably practicable, but within six (6) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO will refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30)

calendar days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) calendar days of the issuance of such final construction invoice.

- (f) If, in accordance with the removal of the Participating TO's Interconnection Facilities, as specified in Section 12 of this Attachment 2, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost within thirty (30) calendar days of such bill. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) calendar days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) calendar days of the issuance of such final invoice.
- (g) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the SGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the SGIA.
- (h) If suspension of work under this SGIA is permitted by the CAISO and the Participating TO, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this SGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection

Customer's authorization to do so. The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. The suspension period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the CAISO, if no effective date is specified.

15. Distribution Upgrades Cost, Delivery Network Upgrade Cost, Interconnection Facilities Cost and Reliability Network Upgrade Cost Summary.

(a) Estimated Cost:

Element-	Shared Interconnection Facilities Cost*	Sole-Use Interconnection Facilities Cost	Interconnection Facilities Cost*	Shared Reliability Network Upgrades Cost*	Reliability Network Upgrades Cost*	Distribution Upgrades Cost	Total	ITCC**
Participating TO's Interconnection Facilities								
66 kV Gen-Tie Segment into Antelope Substation	\$1,704,000		\$852,000				\$852,000	\$298,200
66 kV Gen-Tie Line Position – Line Drop (Dead End Structure, Relays)	\$282,000		\$141,000				\$141,000	\$49,350
Telecommunications	\$324,000		\$162,000				\$162,000	\$56,700
Telecom – cable, lightwave, etc. to support diverse protection & SCADA	\$694,000		\$347,000				\$347,000	\$121,450
Corporate Environmental Health & Safety	\$618,000		\$309,000				\$309,000	\$108,150
Real Properties		\$70,000	\$70,000				\$70,000	\$24,500
Corporate Environmental Health & Safety - to support telecom for RTU at generating facility		\$428,000	\$428,000				\$428,000	\$149,800
Metering Services		\$32,000	\$32,000				\$32,000	\$11,200

Power System Control – RTU at Generating Facility		\$100,000	\$100,000				\$100,000	\$35,000
Subtotal		\$630,000	\$2,441,000				\$2,441,000	\$854,350
Distribution Upgrades						\$0	\$0	
Participating TO's Reliability Network Upgrades								
Corporate Environmental Health & Safety				\$58,000	\$29,000		\$29,000	
Antelope Circuit Breakers & Disconnect Sw.				\$1,010,000	\$505,000		\$505,000	
RTU points at Antelope Sub				\$36,000	\$18,000		\$18,000	
Vincent Sub Circuit Breaker Upgrades					\$11,584		\$11,584	
Subtotal				\$1,104,000	\$563,584		\$563,584	
Total			\$2,441,000		\$563,584	\$0	\$3,004,584	\$854,350

*Note: Western Antelope Dry Ranch Project and Q660 Project (TOT522) will share the same Interconnection Facilities and Reliability Network Upgrades, excluding Reliability Network Upgrades identified in Attachment 6, Section 1(b)(i)2. On the Effective Date, Western Antelope Dry Ranch Project will be responsible for 50% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs as shown above. The Interconnection Facilities Costs and Reliability Network Upgrades costs shown above reflect Western Antelope Dry Ranch Project's current share of the cost responsibility. The remaining 50% will be the cost responsibility of Q660 Project (TOT522). In the event that Q660 Project (TOT522) terminates its SGIA prior to completion of construction of the shared Interconnection Facilities and shared Reliability Network Upgrades, this SGIA shall be amended to reflect that Western Antelope Dry Ranch Project will be responsible for 100% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs.

**Note: ITCC/Estimated Tax Liability will be provided pursuant to Attachment 2, Section 11.

All amounts shown above are in nominal dollars.

(b) Actual Cost:

[TO BE INSERTED AFTER TRUE-UP OF ACTUAL COSTS]

Element	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Distribution Upgrades Cost	Total	ITCC

Total					

16. Interconnection Facilities Charge and Distribution Upgrades Charge.

- (a) $\text{Interconnection Facilities Charge} = \text{Customer-Financed Monthly Rate} \times (\text{Interconnection Facilities Cost})$

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection Facilities Completion Date	0.38%	\$2,441,000	\$9,275.80	[to be inserted after true-up]	[to be inserted after true-up]

17. Payment Schedule and Associated ITCC.

The payment amounts shown below are based on an estimate of the monthly incurred costs for the Distribution Upgrades, Participating TO's Interconnection Facilities, and Network Upgrades.

Payment No.	Payment Due Date	Interconnection Facilities Cost (A)	Reliability Network Upgrades Cost (B)	Circuit Breaker Reliability Upgrades (Not Subject to ITCC) (C)	Total Payment Amount (D = A+B+C)	ITCC (E = (A) *35%)
1	7/1/12	\$0	\$1,000	\$34	\$1,034	\$854,350
2	8/1/12	\$37,000	\$3,000	\$35	\$40,035	
3	9/1/12	\$75,000	\$5,000	\$76	\$80,076	
4	10/1/12	\$80,000	\$6,000	\$101	\$86,101	
5	11/1/12	\$86,000	\$8,000	\$131	\$94,131	
6	12/1/12	\$90,000	\$9,000	\$162	\$99,162	
7	1/1/13	\$100,000	\$10,000	\$192	\$110,192	
8	2/1/13	\$108,000	\$13,000	\$228	\$121,228	
9	3/1/13	\$114,000	\$15,000	\$264	\$129,264	
10	4/1/13	\$130,000	\$17,000	\$316	\$147,316	
11	5/1/13	\$162,000	\$19,000	\$415	\$181,415	
12	6/1/13	\$207,000	\$38,000	\$840	\$245,840	

13	7/1/13	\$212,000	\$58,000	\$1,296	\$271,296	
14	8/1/13	\$142,000	\$59,000	\$1,333	\$202,333	
15	9/1/13	\$110,000	\$52,000	\$1,177	\$163,177	
16	10/1/13	\$113,000	\$26,000	\$555	\$139,555	
17	11/1/13	\$128,000	\$25,000	\$534	\$153,534	
18	12/1/13	\$139,000	\$30,000	\$617	\$169,617	
19	1/1/14	\$154,000	\$37,000	\$721	\$191,721	
20	2/1/14	\$126,000	\$37,000	\$776	\$163,776	
21	3/1/14	\$72,000	\$35,000	\$744	\$107,744	
22	4/1/14	\$43,000	\$30,000	\$622	\$73,622	
23	5/1/14	\$12,000	\$15,000	\$351	\$27,351	
24	6/1/14	\$1,000	\$4,000	\$64	\$5,064	
Totals		\$2,441,000	\$552,000	\$11,584	\$3,004,584	\$854,350

All amounts shown above are in nominal dollars.

*Note: Western Antelope Dry Ranch Project and Q660 Project (TOT522) will share the same Interconnection Facilities and Reliability Network Upgrades, excluding Reliability Network Upgrades identified in Attachment 6, Section 1(b)(i)2. On the Effective Date, Western Antelope Dry Ranch Project will be responsible for 50% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs. The Interconnection Facilities Costs and Reliability Network Upgrades costs shown in the Payment Schedule above reflect Western Antelope Dry Ranch Project's current share of the cost responsibility. The remaining 50% will be the cost responsibility of Q660 (TOT522) Project. In the event that Q660 Project (TOT522) terminates its SGIA prior to completion of construction of the shared Interconnection Facilities and shared Reliability Network Upgrades, this SGIA shall be amended, and Western Antelope Dry Ranch Project will be responsible for 100% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs.

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$2,441,000

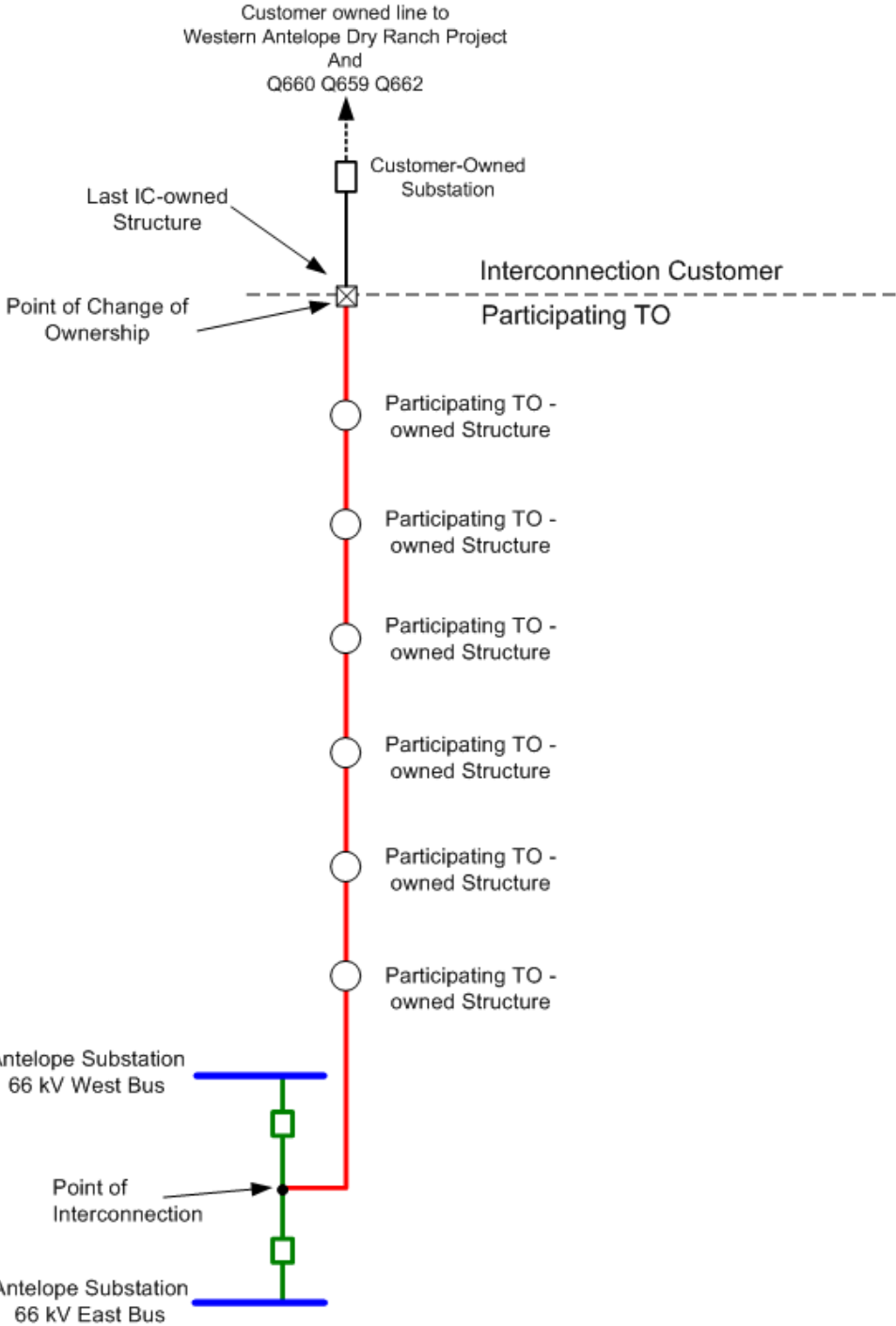
Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$563,584

Transmission credits pursuant to Section 9 of this Attachment 2 = Reliability Network Upgrades Payment + Delivery Network Upgrades Payment = \$563,584

*ITCC will be provided by Interconnection Customer in accordance with Section 11 of this Attachment 2.

ATTACHMENT 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades



Note: This one-line diagram depicts technical information known by the Parties as of the date of the filing of this SGIA.

ATTACHMENT 4**Milestones**

In-Service Date: June 30, 2014

Critical milestones and responsibility as agreed to by the Parties¹:

Item	Milestone	Responsible Party	Due Date
(a)	Submit proof of insurance coverage in accordance with Article 8.1 of the SGIA	Interconnection Customer	Within ten (10) calendar days of the Effective Date
(b)	Submittal of second posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO, pursuant to Section 9.3 of the GIP and Article 6.4 and Section 10 of Attachment 2 of the SGIA	Interconnection Customer	Completed
(c)	Submittal of third posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO, pursuant to Section 9.3 of the GIP and Article 6.4 and Section 10 of Attachment 2 of the SGIA	Interconnection Customer	On or before the start of construction of Network Upgrades or Participating TO's Interconnection Facilities (whichever is earlier).
(d)	Submittal of security for the estimated tax liability to the Participating TO, pursuant to Section 11 of Attachment 2 of the SGIA	Interconnection Customer	Within thirty (30) calendar days of the Effective Date
(e)	Completion of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades	Participating TO	Within (24) months following the Effective Date*

¹ The Parties acknowledge that the milestone dates in this table reflect the Participating TO's current estimates, based on currently available information, and that in order to expedite the SGIA process, the Participating TO is providing these dates prior to the completion of its final engineering studies. The Parties understand and acknowledge that following the Participating TO's completion of its final engineering studies, the milestones may change to either earlier or later dates.

(f)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Small Generating Facility, including system protection facilities, to the Participating TO and the CAISO	Interconnection Customer	At least one hundred eighty (180) calendar days prior to the Initial Synchronization Date
(g)	Submittal of initial information including the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment	Participating TO	At least one hundred eighty (180) calendar days prior to Trial Operation
(h)	Submittal of updated information by the Interconnection Customer, including manufacturer information	Interconnection Customer	No later than one hundred eighty (180) calendar days prior to Trial Operation
(i)	Review of and comment on the Interconnection Customer's initial specifications	Participating TO and CAISO	Within thirty (30) calendar days of the Interconnection Customer's submission of initial specifications
(j)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Small Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO	Interconnection Customer	At least ninety (90) calendar days prior to the Initial Synchronization Date.
(k)	Review of and comment on the Interconnection Customer's final specifications	Participating TO and CAISO	Within thirty (30) calendar days of the Interconnection Customer's submission of final specifications
(l)	Notification of Balancing Authority Area to the Participating TO and the CAISO	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(m)	Performance of a complete calibration test and functional trip test of the system protection facilities	Interconnection Customer and Participating TO	At least thirty (30) calendar days prior to the In-Service Date
(n)	In-Service Date	Interconnection Customer	June 30, 2014
(o)	Initial Synchronization Date/Trial Operation	Interconnection Customer	July 1, 2014

(p)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades, Network Upgrades, and testing of the Interconnection Customer's Interconnection Facilities and Small Generating Facility in accordance with Article 2.1 of the SGIA	Interconnection Customer and Participating TO	At least thirty (30) calendar days prior to the Initial Synchronization Date
(q)	Provide written approval to the Interconnection Customer for the operation of the Small Generating Facility, in accordance with Article 2.2.2 of the SGIA	Participating TO	At least fifteen (15) calendar days prior to the Initial Synchronization Date
(r)	Commercial Operation Date	Interconnection Customer	July 30, 2014
(s)	Submittal to the Participating TO of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units to the Participating TO and the CAISO	Interconnection Customer	Within one hundred twenty (120) calendar days after the Commercial Operation Date, unless otherwise agreed

* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or other unforeseen events could delay the actual in-service dates of the Participating TO's Interconnection Facilities, Distribution Upgrades, or Network Upgrades beyond those specified. The Participating TO shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this SGIA.

If suspension of work under this SGIA is permitted by the CAISO and the Participating TO, then all milestones for each Party set forth in this Attachment 4 shall be suspended during the suspension period except for the milestones requiring posting of Interconnection Financial Security for the Network Upgrades common to multiple generating stations. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Attachment 4 and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.

The Interconnection Customer also understands and agrees that the method of service required to interconnect the Small Generating Facility may require re-evaluation due to the suspension of the project and changes to the Participating TO's electrical system or addition of new generation.

Agreed to by:

For the Participating TO _____ Date _____

Kevin M. Payne

For the CAISO_____ Date_____

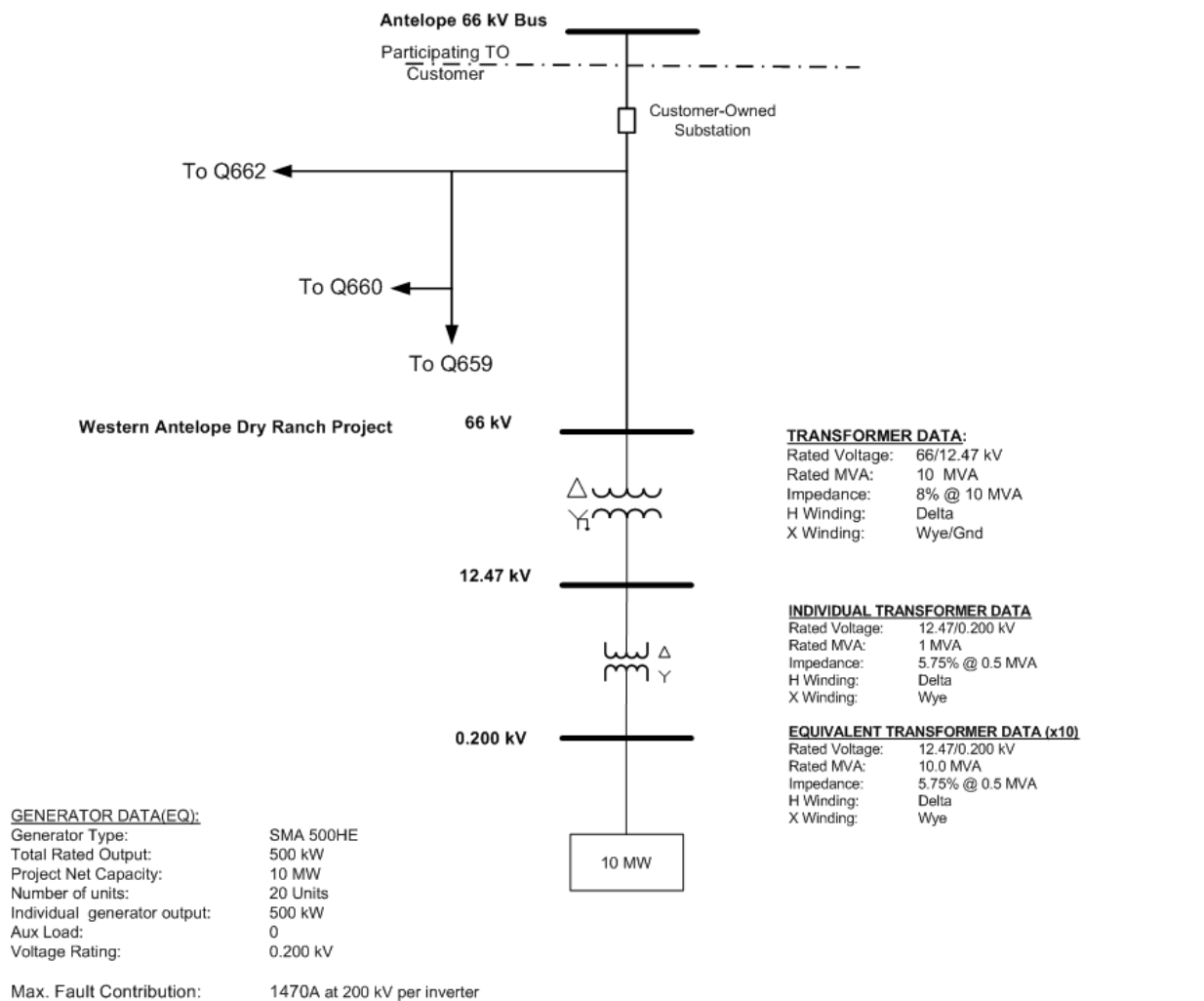
For the Interconnection Customer_____ Date_____

ATTACHMENT 5

Additional Operating Requirements for the CAISO Controlled Grid and Affected Systems Needed to Support the Interconnection Customer's Needs

The Participating TO and the CAISO shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the CAISO Controlled Grid.

- 1. Generating Facility:** All equipment and facilities comprising the Western Antelope Dry Ranch generating facility in Lancaster, California, as disclosed by the Interconnection Customer in its Interconnection Request, as may have been amended during the Interconnection Study process, which consists of (i) a solar photovoltaic generating facility with a maximum capacity of 10 MW, (ii) the associated infrastructure and step-up transformers, (iii) meters and metering equipment, and (iv) appurtenant equipment. The Western Antelope Dry Ranch Project shall consist of the Small Generating Facility and the Interconnection Customer's Interconnection Facilities.



2. Interconnection Customer Operational Requirements.

- (a) Pursuant to Article 1.5.2 of the SGIA, the Interconnection Customer shall operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff; NERC and the Applicable Reliability Council requirements; and Applicable Reliability Standards.
- (b) The Small Generating Facility shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.
- (c) The Parties agree that the Interconnection Customer shall not hold the Participating TO liable for damage to any Small Generating Facility turbines that may be caused due to sympathetic generation tripping associated with the Interconnection Customer's induction turbine design.
- (d) Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or applicable reliability council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or applicable reliability council standard, the alternative Applicable Reliability Standard or applicable reliability council standard shall control.

3. Interconnection Principles:

- (a) This SGIA provides for interconnection of a total capacity of 10 MW, resulting from the interconnection of the Western Antelope Dry Ranch Project, as described in Section 1 of this Attachment 5. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this SGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.
- (b) The costs associated with any mitigation measures required to third party transmission systems, which result from interconnection of the Western Antelope Dry Ranch Project to the Participating TO's electrical system, are not reflected in this SGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, the Interconnection Customer shall enter into an agreement with such third parties in accordance with Section 12.4 of the GIP to address any required mitigation.

- (c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection Service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, then the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.
- (d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Western Antelope Dry Ranch Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Western Antelope Dry Ranch Project or the Interconnection Customer's Interconnection Facilities.
- (e) The Participating TO's approval process specified in Article 2.1.1 of the SGIA will include verification that the low-voltage ride-through, SCADA capability, and power factor correction equipment, if any, required pursuant to Attachment 7 of this SGIA, have been installed.
- (f) The Interconnection Customer shall complete and receive approval for all environmental impact studies and any permitting necessary for the construction, operation and maintenance of the Western Antelope Dry Ranch Project. The Interconnection Customer shall include the Participating TO's Interconnection Facilities Distribution Upgrades and Network Upgrades described in Attachment 2 of this SGIA in all such environmental impact studies, where applicable. The Interconnection Customer shall provide the results of such studies and approvals to the Participating TO for use in the Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment 2 of this SGIA.
- (g) The Interconnection Customer is responsible for all costs associated with any necessary relocation of any of the Participating TO's facilities as a result of the Western Antelope Dry Ranch Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of the Participating TO's facilities or use of the Participating TO's property rights shall only be permitted upon written agreement between the Participating TO and the Interconnection Customer.

Any proposed relocation of the Participating TO's facilities or use of the Participating TO's property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of the Participating TO's facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered to be associated with a Network Upgrade or Distribution Upgrade and would not be refundable to the Interconnection Customer pursuant to Article 5.3 of this SGIA.

- (h) This SGIA does not address any requirements for standby power or temporary construction power that the Small Generating Facility may require prior to the in-service date of the Interconnection Facilities. Should the Small Generating Facility require standby power or temporary construction power from the Participating TO prior to the in-service date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with the Participating TO to receive and pay for such retail service.

4. Cluster Study Group:

The Western Antelope Dry Ranch Project participated in the CAISO's Queue Cluster 1&2 for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid.

5. Interconnection Operations:

- (a) The Interconnection Customer shall cause the Western Antelope Dry Ranch Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the SGIA, for loss of generation output when (i) the Small Generating Facility's generation is reduced or the Western Antelope Dry Ranch Project is tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. In accordance with Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this SGIA.
- (b) The SGIA governs the facilities required to interconnect the Small Generating Facility to Participating TO's electrical system pursuant to the CAISO Tariff and as described herein. Interconnection Customer shall be responsible for making all necessary operational arrangements with the CAISO, including, without limitation, arrangements for obtaining transmission service from the CAISO, and for scheduling delivery of energy and other services to the CAISO Controlled Grid.
- (c) The Interconnection Customer shall cause the Small Generating Facility to participate

in CAISO congestion management.

- (d) Following outages of the Interconnection Facilities or the Small Generating Facility, the Interconnection Customer shall not energize the Western Antelope Dry Ranch Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.
- (e) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) The Interconnection Customer has elected for the Small Generating Facility to have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff. The Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, the Small Generating Facility will have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff.
- (g) Technical assessments may be performed by the Participating TO on an as needed basis, at the Interconnection Customer's expense, to confirm if any of the facilities, upgrades or replacements identified in the Phase II Interconnection Study are required to be advanced in order to accommodate interconnection of the Western Antelope Dry Ranch Project. In the event that it is determined by the Participating TO that any such facilities, upgrades or replacements are required to be advanced in order to accommodate interconnection of the Small Generating Facility, such advancement shall be addressed in accordance with Section 12.2.2 of the GIP. Additionally, technical assessments may be required prior to the interconnection of the Western Antelope Dry Ranch Project due to the changes in the generation interconnection queue and the electrical system since the Interconnection Studies were completed. These technical assessments may identify Participating TO's Reliability Network Upgrades and Participating TO's Delivery Network Upgrades that are different from those included in the SGIA. As a result of these technical assessments, this SGIA may require amending to reflect such upgrades and associated costs.
- (h) Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Small Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Small Generating Facility, the Interconnection Facilities and the Participating TO's electrical system; and (iii) disconnect or remove

the Access Party's facilities and equipment upon termination of this SGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Interconnection Customer and Participating TO shall execute any necessary supplemental agreements, as determined by the Participating TO, to effectuate and record such easement(s) which provides the Participating TO unrestricted 24 hour access to Participating TO's Interconnection Facilities, and Distribution Upgrades, and Network Upgrades, if applicable, located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.

- (i) Compliance with Applicable Reliability Standards: The Interconnection Customer shall comply with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion as to whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility up to the Point of Change of Ownership, as described in Section 5 of Attachment 2 of this SGIA.

6. Insurance:

- (a) Each Party shall, at its own expense, maintain in force throughout the period of this SGIA, and until released by the other Party, the following minimum insurance coverage, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located:
 - (i) Employer's Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located. Either party may meet the requirement for workers compensation insurance through self-insurance if it is authorized to self-insure by the applicable state.
 - (ii) Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000.00) per occurrence/one million dollars (\$1,000,000.00)

aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- (iii) Business Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury, including death, and property damage.
- (iv) For this 10 MW project, excess Public Liability Insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of one million dollars (\$1,000,000.00) per occurrence/ten million dollars (\$10,000,000.00) aggregate. The requirements of section ii and iv may be met by any combination of general and excess liability insurance.
- (v) The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, its subsidiaries and the respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this SGIA against the Other Party Group and endeavor to provide thirty (30) calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- (vi) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- (vii) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this SGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- (viii) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this SGIA.
- (ix) No later than ten (10) Business Days prior to the anticipated commercial operation date of this SGIA, and as soon as practicable after the end of each fiscal

year or at the renewal of the insurance policy and in any event within ninety (90) calendar days thereafter, each Party shall provide certification of all insurance required in this SGIA, executed by each insurer or by an authorized representative of each insurer.

- (b) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 8 of this SGIA and this Attachment 5 Section 6 to the extent it maintains a self-insurance program; provided that, Interconnection Customer's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Article 8 of this SGIA and this Attachment 5 Section 6. For any period of time that Interconnection Customer's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, each Party shall comply with the insurance requirements applicable to it under Article 8 of this SGIA and this Attachment 5 Section 6. In the event that a Party is permitted to self-insure, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 8 of this SGIA and this Attachment 5 Section 6.
- (c) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this SGIA.

ATTACHMENT 6

Participating TO's Description of its Upgrades and Best Estimate of Upgrade Costs

The Participating TO shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Participating TO shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

1. Network Upgrades.

- (a) **Stand Alone Network Upgrades.** None.
- (b) **Other Network Upgrades.**
 - (i) **Participating TO's Reliability Network Upgrades.** The Participating TO shall:
 1. **Antelope Substation.** Implement the following upgrades at the Antelope 66kV Substation to support interconnection for the Western Antelope Dry Ranch Project and termination of the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
 - a. Circuit Breakers – Two (2) 2000 A 40 kA 66 kV circuit breakers
 - b. Disconnect Switches – Four (4) 2000 A 40 kA horizontal-mounted group-operated disconnect switches
 - c. Bay position conductor
 - d. Power System Controls: Modify points on existing RTU to account for new gen-tie
 2. **Short-Circuit Duty Mitigation:** The Participating TO shall: Replace four Vincent 500 kV circuit breakers (CB722, CB852, CB952, and CB862) to achieve 63 kA rating. The timing of replacement of these four circuit breakers is tied to actual development of generation projects throughout SCE's service territory as well as completion of corresponding Deliverability Network Upgrades. Additional review of these breakers will be performed as projects execute interconnection agreements to identify need and schedule installation of these circuit breaker replacements.
 3. **Real Properties, Transmission Project Licensing, and Environmental Health and Safety.** Perform all required functions to obtain easements and/or acquire land, obtain licensing and permits, and perform all required environmental

activities for the installation of the Participating TO's Reliability Network Facilities.

(ii) **Participating TO's Delivery Network Upgrades.** None.

2. Distribution Upgrades. None. See Attachment 2, Section 18.

ATTACHMENT 7

Interconnection Requirements for an Asynchronous Generating Facility

Attachment 7 sets forth requirements and provisions specific to all Asynchronous Generating Facilities. All other requirements of this Agreement continue to apply to all Asynchronous Generating Facility interconnections.

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7

- or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i. of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
 6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
 7. Asynchronous Generating Facilities may meet the requirements of this Section A.1 of this Attachment 7 through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility or by a combination of generating unit performance and additional equipment.
 8. The provisions of this Section A.i of this Attachment 7 apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.

ii. Frequency Disturbance Ride-Through Capacity

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the WECC Under Frequency Load Shedding Relay Application Guide or successor requirements as they may be amended from time to time.

iii. Power Factor Design and Operating Requirements (Reactive Power)

An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this SGIA in order to maintain a specified voltage schedule, if the Phase II Interconnection Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The

Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

ATTACHMENT 8

[This Attachment is Intentionally Omitted]

**SMALL GENERATOR INTERCONNECTION AGREEMENT
(SGIA)
AMONG**

**WESTERN ANTELOPE DRY RANCH LLC
AND**

**SOUTHERN CALIFORNIA EDISON COMPANY
AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION**

PROJECT: Western Antelope Dry Ranch TOT516 (Q653H)

Proposed Effective Date: July 6, 2012
Version Number: 01.0.0
Option Code: A

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SMALL GENERATOR INTERCONNECTION AGREEMENT

This Small Generator Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by Southern California Edison Company , a corporation organized and existing under the laws of the State of California ("Participating TO"), the California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("CAISO") and Western Antelope Dry Ranch LLC , a limited liability company organized and existing under the laws of the State of Delaware ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Participating TO Information

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152
E-mail Address: william.law@sce.com

CAISO Information

Attention: Mr. Brij Basho, Contracts Negotiator Lead
Address: 250 Outcropping Way
City: Folsom State: CA Zip: 95630
Phone: (916) 608-7136 Fax: (916) 608-7292
E-mail: bbasho@caiso.com

Interconnection Customer Information

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St, Ste. 3065
City: San Francisco State: CA Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001
E-mail Address: a.foltz@silveradopower.com

Interconnection Customer Queue Position number: Q653H

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

ARTICLE 1. SCOPE AND LIMITATIONS OF AGREEMENT

- 1.1 This Agreement shall be used for all Small Generating Facility Interconnection Requests submitted under the applicable generator procedure (either the Generator Interconnection Procedures (GIP) set forth in Appendix Y or the Small Generator Interconnection Procedures (SGIP) set forth in Appendix S) except for those submitted under the 10 kW Inverter Process contained in GIP Attachment 7 or SGIP Attachment 5. For those Interconnection Requests, Attachment 5 contains the terms and conditions which serve as the Interconnection Agreement.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Participating TO's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the CAISO Tariff.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between or among the Parties.
- 1.5 Responsibilities of the Parties
 - 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (CAISO Tariff Appendix V or Appendix CC, as applicable) to interpret the responsibilities of the Parties under this Agreement.
 - 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
 - 1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The CAISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the CAISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Participating TO and the CAISO shall coordinate with Affected Systems to support the interconnection.

1.5.7 [This provision is intentionally omitted.]

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the CAISO Balancing Authority Area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the CAISO Tariff for the CAISO Controlled Grid and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of each generating unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all similarly situated generators in the CAISO Balancing Authority Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators and the requirements of Attachment 7 shall apply instead.

1.8.2 Payment to the Interconnection Customer for reactive power that the Small Generating Facility provides or absorbs when the CAISO requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 will be made by the CAISO in accordance with the applicable provisions of the CAISO Tariff.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

ARTICLE 2. INSPECTION, TESTING, AUTHORIZATION, AND RIGHT OF ACCESS

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Participating TO and the CAISO of such activities no fewer than five (5) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Participating TO and the CAISO may, at their own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Participating TO and the CAISO a written test report when such testing and inspection is completed.

2.1.2 The Participating TO and the CAISO shall provide the Interconnection Customer written acknowledgment that they have received the

Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Participating TO or the CAISO of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Participating TO and the CAISO shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Participating TO and the CAISO shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Participating TO and the CAISO shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Participating TO's Transmission System without prior written authorization of the Participating TO. The Participating TO will provide such authorization to the Interconnection Customer and the CAISO once the Participating TO receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access to Premises

2.3.1 Upon reasonable notice, the Participating TO and the CAISO may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Participating TO and the CAISO at least five (5) Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Participating TO and the CAISO shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

ARTICLE 3. EFFECTIVE DATE, TERM, TERMINATION, AND DISCONNECTION

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Participating TO and the CAISO shall promptly file this Agreement with the FERC upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of thirty-five (35) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Participating TO and the CAISO twenty (20) Business Days written notice.

3.3.2 Any Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the CAISO Controlled Grid. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.4 The termination of this Agreement shall not relieve any Party of its liabilities and obligations, owed or continuing at the time of termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection of the Small Generating Facility or associated Interconnection Facilities shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, the Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the CAISO or the Participating TO may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Participating TO or the CAISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the CAISO promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the CAISO Controlled Grid, the Participating TO's Interconnection Facilities, or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Participating TO or the CAISO may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the CAISO Controlled Grid when necessary for routine maintenance, construction, and repairs on the CAISO Controlled Grid or the Participating TO's electric system. The

Party scheduling the interruption shall provide the Interconnection Customer with (5) five Business Days notice prior to such interruption. The Party scheduling the interruption shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO.

3.4.3 Forced Outages

During any forced outage, the Participating TO or the CAISO may suspend interconnection service to effect immediate repairs on the CAISO Controlled Grid or the Participating TO's electric system. The Participating TO or the CAISO shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Participating TO or the CAISO shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection. The Interconnection Customer shall notify CAISO, as soon as practicable, of all forced outages or reductions of the Small Generating Facility in accordance with the CAISO Tariff.

3.4.4 Adverse Operating Effects

The Participating TO or the CAISO shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the CAISO Controlled Grid, the Participating TO's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Participating TO or the CAISO may disconnect the Small Generating Facility. The Participating TO or the CAISO shall provide the Interconnection Customer with (5) five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Participating TO and the CAISO before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the CAISO Controlled Grid or the Participating TO's electric system. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Participating TO's and the CAISO's prior written authorization, the Participating TO or the CAISO shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, the Participating TO's electric system, and the CAISO Controlled Grid to their normal operating state as soon as reasonably practicable following a temporary disconnection.

ARTICLE 4. COSTS FOR INTERCONNECTION FACILITIES & DISTRIBUTION UPGRADES

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Participating TO shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, the CAISO, and the Participating TO.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Participating TO's Interconnection Facilities.

4.2 Distribution Upgrades

The Participating TO shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

ARTICLE 5. COST RESPONSIBILITY FOR NETWORK UPGRADES

5.1 Applicability

No portion of this Article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Participating TO shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Participating TO and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Participating TO elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.3 Transmission Credits

No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 5.3.1.

5.3.1 Repayment of Amounts Advanced for Network Upgrades

5.3.1.1 Repayment of Amounts Advanced Regarding Non-Phased Generating Facilities

Upon the Commercial Operation Date of a Generating Facility that is not a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to the Participating TO for the cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years from the Commercial Operation Date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years from the Commercial Operation Date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.2 Repayment of Amounts Advanced Regarding Phased Generating Facilities

Upon the Commercial Operation Date of each phase of a Phased Generating Facility, the Interconnection Customer shall be entitled to a repayment equal to the amount paid to the Participating TO for the cost of Network Upgrades for that completed phase for which the Interconnection Customer is responsible, if all of the following conditions are satisfied:

- (a) The Generating Facility is capable of being constructed in phases;
- (b) The Generating Facility is specified in the SGIA as being constructed in phases;
- (c) The completed phase corresponds to one of the phases specified in the SGIA;
- (d) The Interconnection Customer has tendered notice pursuant to the SGIA that the phase has achieved Commercial Operation;
- (e) All parties to the SGIA have agreed that the completed phase meets the requirements set forth in the SGIA and any other operating, metering, and interconnection requirements to permit generation output of the entire capacity of the completed phase as specified in the SGIA;
- (f) The Network Upgrades necessary for the completed phase to meet the desired level of deliverability are in service; and
- (g) The Interconnection Customer has posted one hundred (100) percent of the Interconnection Financial Security required for the Network Upgrades for all the phases of the Generating Facility.

Upon satisfaction of these conditions (a) through (g), the Interconnection Customer shall be entitled to receive a partial repayment of its financed cost responsibility in an amount equal to the percentage of the Generating Facility declared to be in Commercial Operation multiplied by the cost of the Network Upgrades associated with the completed phase. The Interconnection Customer shall be entitled to repayment in this manner for each completed phase until the entire Generating Facility is completed.

If the SGIA includes a partial termination provision and the partial termination right has been exercised with regard to a phase that has not been built, then the Interconnection Customer's eligibility for repayment under this Article as to the remaining phases shall not be diminished. If the Interconnection Customer completes one or more phases and then

defaults on the SGIA, the Participating TO and the CAISO shall be entitled to offset any losses or damages resulting from the default against any repayments made for Network Upgrades related to the completed phases, provided that the party seeking to exercise the offset has complied with any requirements which may be required to apply the stream of payments utilized to make the repayment to the Interconnection Customer as an offset.

Any repayment amount for completion of a phase shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years from the Commercial Operation Date. Notwithstanding the foregoing, if this Agreement terminates within five (5) years from the Commercial Operation Date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination.

5.3.1.3 Interest Payments and Assignment Rights

Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this Agreement is in effect. The Interconnection Customer may assign such repayment rights to any person.

5.3.1.4 Failure to Achieve Commercial Operation

5.3.2 Special Provisions for Affected Systems

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the applicable generation interconnection procedure under which the Small Generating Facility was processed (SGIP or GIP). Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.

5.3.3 Rights Under Other Agreements

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

ARTICLE 6. BILLING, PAYMENT, MILESTONES, AND FINANCIAL SECURITY

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Participating TO shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within thirty (30) calendar days of receipt, or as otherwise agreed to by the Parties. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

6.1.2 Within six (6) months of completing the construction and installation of the Participating TO's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Participating TO shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Participating TO for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Participating TO shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Participating TO within thirty (30) calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Participating TO shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this

provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, as defined in article 7.5.1, it shall immediately notify the other Parties of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 4. The Parties affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) they will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) they have reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements for Small Generating Facilities Processed Under the Fast Track Process or Small Generating Facilities Processed under SGIP

The terms and conditions of this Article 6.3 shall apply only to:

1. Small Generating Facilities that are no larger than 5 MW that are processed under the Fast Track Process under the Generation Interconnection Procedures, CAISO Tariff Appendix Y; and
2. Small Generating Facilities processed under the Small Generation Interconnection Procedures set forth in CAISO Tariff Appendix S. In such case, the terms of Article 6.4 below do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.3 applies:

THIS ARTICLE 6.3 APPLIES

6.3.1 At least twenty (20) Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Participating TO's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Participating TO's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO under this Agreement during its term.

6.3.2 If a guarantee is provided, the guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that

may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.3 If a letter of credit or surety bond is provided, the letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

6.4 Financial Security Arrangements for All Other Small Generating Facilities

The terms of this Article 6.4 apply to Small Generating Facilities that have been processed under either

1. the Cluster Study Process or
2. the Independent Study Track Process

of the Generation Interconnection Procedures set forth in CAISO Tariff Appendix Y. In such case, the provisions of Article 6.3 do not apply to this Agreement.

In such case, the terms of Article 6.3 above do not apply to this Agreement.

For easy reference, the Parties shall check the Box below when this Article 6.4 applies:

THIS ARTICLE 6.4 APPLIES

6.4.1 The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 9 of the GIP in a manner acceptable under Section 9 of the GIP. Failure by the Interconnection Customer to timely satisfy the GIP's requirements for the provision of Financial Security shall be deemed a breach of this Agreement and a condition of Default of this Agreement.

6.4.2 Notwithstanding any other provision in this Agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide Interconnection Customer with written notice of any Default due to timely failure to post Financial Security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required Interconnection Financial Security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed terminated.

ARTICLE 7. ASSIGNMENT, LIABILITY, INDEMNITY, FORCE MAJEURE, AND DEFAULT

7.1 Assignment

This Agreement may be assigned by any Party upon fifteen (15) Business Days prior written notice and opportunity to object by the other Parties; provided that:

7.1.1 Any Party may assign this Agreement without the consent of the other Parties to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Participating TO and the CAISO of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Participating TO or the CAISO, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Participating TO and the CAISO of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall any Party be liable to the other Parties for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from another Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

7.4 Consequential Damages

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

7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental,

military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing by the Party claiming Force Majeure."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Parties, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Parties informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of another Party. Upon a Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2 and in Article 6.4.2, the defaulting Party shall have sixty (60) calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not such Party(ies) terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

ARTICLE 8. INSURANCE

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Participating TO or CAISO, except that the Interconnection Customer shall show proof of insurance to the Participating TO and CAISO no later than 10 Business Days prior to the anticipated Commercial Operation Date. If the Interconnection Customer is of sufficient credit-worthiness, it may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Participating TO agrees to maintain general liability insurance or self-insurance consistent with the Participating TO's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Participating TO's liabilities undertaken pursuant to this Agreement.
- 8.3 The CAISO agrees to maintain general liability insurance or self-insurance consistent with the CAISO's commercial practice. Such insurance shall not exclude coverage for the CAISO's liabilities undertaken pursuant to this Agreement.
- 8.4 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

ARTICLE 9. CONFIDENTIALITY

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to another Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Parties and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall

hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Parties as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

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

ARTICLE 10. DISPUTES

All disputes arising out of or in connection with this Agreement whereby relief is sought by or from CAISO shall be settled in accordance with the provisions of Article 13 of the CAISO Tariff, except that references to the CAISO Tariff in such Article 13 of the CAISO Tariff shall be read as reference to this Agreement. Disputes arising out of or in connection with this Agreement not subject to provisions of Article 13 of the CAISO Tariff shall be resolved as follows:

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

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

- 10.3 If the dispute has not been resolved within 2 Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

ARTICLE 11. TAXES

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other Parties to maintain the other Parties' tax status. Nothing in this Agreement is intended to adversely affect the Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

ARTICLE 12. MISCELLANEOUS

- 12.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

- 12.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by all of the Parties, or under article 12.12 of this Agreement.

- 12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations,

associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

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

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

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

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

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent

jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

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

12.10 Environmental Releases

Each Party shall notify the other Parties, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Parties copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

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

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Participating TO or the CAISO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable

obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

12.12 Reservation of Rights

The CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

Introductory Paragraph, 1.1, 1.2, 1.3, 1.4, 1.5.1, 1.5.2, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.6, 1.7, 1.8.1, 1.9, 2.1, 2.2.1, 2.3, 3, 4.1.1 (last sentence only), 5.1, 5.3, 6.2, 7, 8, 9, 11, 12, 13, Attachment 1, Attachment 4, Attachment 5, and Attachment 7.

The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

2.2.2, 4.1.1 (all but the last sentence), 4.1.2, 4.2, 5.2, 6.1.1 (all but the last sentence), 6.1.2, 6.3, 10 (all but preamble), Attachment 2, Attachment 3 and Attachment 6.

The CAISO shall have the exclusive right to make a unilateral filing with FERC to modify this Agreement pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following articles of this Agreement and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these articles:

1.8.2, 6.1.1 (last sentence only) and 10 (preamble only).

The Interconnection Customer, the CAISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall

limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise mutually agree as provided herein.

ARTICLE 13. NOTICES

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St. Ste 3065
City: San Francisco State: CA Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001

If to the Participating TO:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152

If to the CAISO: California Independent System Operator

Attention: Ms. Roni Reese, Sr. Contract Analyst
Address: 250 Outcropping Way
City: Folsom State: CA Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-7292

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Maggie Spangler
Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: CA Zip: 94104

Participating TO: Southern California Edison Company
Attention: Accounts Receivable (GCM)
Address: P. O. Box 800

2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by any Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: California Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001
E-mail address: a.foltz@silveradopower.com

If to the Participating TO:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Address: P. O. Box 800
2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: (626) 302-9640 Fax: (626) 302-1152
E-mail Address: william.law@sce.com

If to the CAISO:

If to the CAISO: California Independent System Operator
Attention: Ms. Roni Reese, Sr. Contract Analyst
Address: 250 Outcropping Way
City: Folsom State: California Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-7292
E-mail Address: rreese@caiso.com

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: Western Antelope Dry Ranch LLC
Attention: Adam Foltz
Street Address: 44 Montgomery St. Ste. 3065
City: San Francisco State: California Zip: 94104
Phone: 415-692-7578 Fax: 415-362-4001

Participating TO's Operating Representative:

Participating TO: Southern California Edison Company
Attention: Mr. William Law, Manager, Grid Contract Management
Street Address: 2244 Walnut Grove Avenue
City: Rosemead State: California Zip: 91770
Phone: 626-302-9640 Fax: 626-302-1152

CAISO's Operating Representative

California Independent System Operator Corporation
Attention: Mr. Robert Kott
Address: 250 Outcropping Way
City: Folsom State: California Zip: 95630
Phone: (916) 351-4400 Fax: (916) 608-5762

13.5 Changes to the Notice Information

Any Party may change this information by giving five (5) Business Days written notice to the other Parties prior to the effective date of the change.

ARTICLE 14. SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For Southern California Edison Company

By: _____

Name: Kevin M. Payne

Title: Vice President, Engineering & Technical Services, TDBU

Date: _____

For California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

For Western Antelope Dry Ranch LLC

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 1

Glossary of Terms

Affected System – An electric system other than the CAISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO’s electric system that is not part of the CAISO Controlled Grid.

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

Balancing Authority Area - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Business Day – Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

CAISO Controlled Grid – The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO’s Operational Control.

CAISO Tariff – The CAISO’s tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Commercial Operation Date – The date on which a Small Generating Facility commenced generating electricity for sale as agreed upon by the Participating TO and the Interconnection Customer and in accordance with any implementation plan agreed to by the Participating TO and the CAISO for multiple individual generating units or project phases at a Small Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those generating units or project phases.

Default – The failure of a breaching Party to cure its breach under this Agreement.

Distribution System – Those non-CAISO-controlled transmission and distribution facilities owned by the Participating TO.

Distribution Upgrades – The additions, modifications, and upgrades to the Participating TO’s Distribution System. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and

expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

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

Interconnection Handbook – A handbook, developed by the Participating TO and posted on the Participating TO's website or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's Transmission System, as such handbook may be modified or superseded from time to time. The Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and applicable reliability standards.

Interconnection Request – A request, in accordance with the CAISO Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the CAISO Controlled Grid.

CAISO Controlled Grid – The system of transmission lines and associated facilities of the parties to a Transmission Control Agreement that have been placed under the CAISO's Operational Control.

CAISO Tariff – The CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Participating TO's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the CAISO Controlled Grid to accommodate the interconnection of the Small

Generating Facility with the CAISO Controlled Grid. Network Upgrades do not include Distribution Upgrades.

Operational Control – The rights of the CAISO under a Transmission Control Agreement and the CAISO Tariff to direct the parties to the Transmission Control Agreement how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting applicable reliability criteria.

Operating Requirements – Any operating and technical requirements that may be applicable due to the CAISO, Western Electricity Coordinating Council, Balancing Authority Area, or the Participating TO's requirements, including those set forth in this Agreement.

Phased Generating Facility – A Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive sequences that are specified in this SGIA, such that each sequence comprises a portion of the total megawatt generation capacity of the entire Generating Facility.

Party or Parties – The Participating TO, CAISO, Interconnection Customer or the applicable combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Participating TO's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Transmission Control Agreement – CAISO FERC Electric Tariff No. 7.

Transmission System – The facilities owned and operated by the Participating TO and that have been placed under the CAISO's Operational Control, which facilities form part of the CAISO Controlled Grid.

Upgrades – The required additions and modifications to the Participating TO's Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

ATTACHMENT 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or the Participating TO. The Participating TO will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

The Participating TO's Interconnection Facilities, Network Upgrades and Distribution Upgrades described in this Attachment 2 are based on the Participating TO's preliminary engineering and design. Such descriptions are subject to modification to reflect the actual facilities constructed and installed following the Participating TO's final engineering and design, identification of field conditions, and compliance with applicable environmental and permitting requirements.

1. Interconnection Facilities.

- (a) **Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall:
- (i) Install a substation with one (1) 66/12.47 kV main step-up transformer with an 8.0 percent impedance on a 10 MVA base.
 - (ii) Install a new 66 kV generation tie-line from the Small Generating Facility to a position designated by the Participating TO, outside of the Participating TO's Antelope Substation, where Interconnection Customer shall install a structure ("Last Structure"). This generation tie-line will be referred to as the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line. The right-of-way for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line shall extend up to the edge of the Antelope Substation property line.
 - (iii) Install a main breaker or ring bus between Antelope Substation and all shared projects on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
 - (iv) Install fiber optical cable (either ADSS or optical ground wire) on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line to provide one of two telecommunication paths required for the line protection and the Remote Terminal Unit ("RTU"). A minimum of eight (8) strands within the fiber optical cable shall be provided for the Participating TO's exclusive use into Antelope Substation.
 - (v) Install appropriate single-mode fiber-optic cables for the diverse telecommunication paths and panels to terminate the telecommunication fiber-optic cables for both diverse telecommunication paths, as specified by the Participating TO to match the telecommunication equipment used by the Participating TO at Antelope Substation and at the Small Generating Facility, in order to protect the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.

- (vi) Own, operate and maintain both telecommunication paths (including any fiber-optic cables, and appurtenant facilities) from the Point of Change of Ownership to the Small Generating Facility, with the exception of the terminal equipment at the Small Generating Facility, which terminal equipment will be installed, owned, operated and maintained by the Participating TO.
- (vii) Allow the Participating TO to review the Interconnection Customer's telecommunication equipment design and perform inspections to ensure compatibility with the Participating TO's terminal equipment and protection engineering requirements; allow the Participating TO to perform acceptance testing of the telecommunication equipment and the right to request and/or to perform correction of installation deficiencies.
- (viii) Install one (1) dedicated 125 VDC circuit, one (1) dedicated 115 VAC convenience circuit and required station interface data connections up to the Participating TO's RTU located at the Small Generating Facility.
- (ix) Make available adequate space and facilities necessary for the installation of the Participating TO's RTU.
- (x) Provide sufficient floor space within a secure building having suitable environmental controls for the Participating TO to install and operate one (1) 8-foot high by 19-inch wide communications equipment rack; provide either one (1) 115 VAC dedicated circuit (separate from the RTU) or a 130 VDC dedicated circuit to power the communications equipment rack at the Small Generating Facility site.
- (xi) Install an optical entrance cable extending the fiber optic cable communications to a patch panel in the Participating TO's communications equipment rack specified above.
- (xii) Install all required CAISO-approved compliant metering equipment at the Small Generating Facility, in accordance with Section 10 of the CAISO Tariff.
- (xiii) Install revenue metering equipment (typically, voltage and current transformers with an accuracy of 0.3% and 0.15%, respectively; associated cabinetry and wiring) at the Small Generating Facility to meter the Small Generating Facility retail load, as specified by the Participating TO.
- (xiv) Provide a metering cabinet and sufficient space for the Participating TO to install its retail metering equipment and related meters. Such equipment must be placed at a location that would allow twenty-four hour access for the Participating TO's metering personnel.
- (xv) Allow the Participating TO to install revenue meters and appurtenant equipment required to meter the retail load at the Small Generating Facility.
- (xvi) Install appropriate relay protection for the diverse telecommunication paths. Relay protection to be specified by the Participating TO to match the relay protection used by the Participating TO at Antelope Substation and at the Small Generating Facility, in order to protect the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line, as follows:
 1. One (1) G.E. L90 current differential relay with dual dedicated digital communication channels to Antelope Substation.
 2. One (1) SEL 311L current differential relay with dual dedicated digital communication channels to Antelope Substation.

(xvii) Install disconnect facilities in accordance with the Participating TO's Interconnection Handbook to comply with the Participating TO's switching and tagging procedures.

(b) **Participating TO's Interconnection Facilities.** The Participating TO shall:

(i) **Antelope Substation.**

1. Install dead-end structure, insulators and line drop, as necessary, to terminate the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
2. Three (3) voltage transformers with steel pedestal support structures.
3. Install the following relays for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line
 - a. One GE L90 line current differential relay with dual dedicated digital communication channels to the Small Generating Facility.
 - b. One SEL-311 line current differential relay with dual dedicated digital communication channels to the Small Generating Facility.
4. Install new telecommunication equipment to support the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line protection, SCADA and the Participating TO's applicable voice and data requirements.

(ii) **Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.**

1. Install appropriate number of 66 kV poles including insulators, hardware assemblies, and appropriate number of spans of conductors and fiber optic cable between the last Interconnection Customer-owned pole structure on the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line. It is expected that the actual location and number of 66 kV poles and number of spans will be determined as part of final engineering performed upon execution of this SGIA. Studies for this project assumed six 66 kV structure and seven spans. Upon completion of final engineering, the SGIA shall be amended accordingly, subject to FERC's acceptance, for any significant scope changes or modifications.

(iii) **Telecommunications.** Install new telecommunication equipment to support the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line protection, SCADA and the Participating TO's applicable voice and data requirements.

1. Install all required light-wave, channel, fiber optic cables and associated equipment (including terminal equipment at both Antelope Substation and Small Generating Facility), supporting diverse protection, RTU and SCADA requirements for the interconnection of the Small Generating Facility. Notwithstanding that certain telecommunication equipment, including the telecommunications terminal equipment, will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain such telecommunication equipment as part of the Participating TO's Interconnection Facilities

2. Install approximately 1300 feet of optical fiber cable to extend the OPGW from the Last Structure into the communication room at Antelope Substation.
3. Install approximately 1300 feet of optical fiber cable to extend the customer's diverse telecommunication path from Antelope Substation property line into the communication room at Antelope Substation.
4. Install circuit cross connections to support the interconnection of the RTU.

(iv) **Real Properties, Transmission Project Licensing, and Environmental Health and Safety.**

Obtain easements and/or acquire land, obtain licensing and permits, and perform all required environmental activities for the installation of the Participating TO's Interconnection Facilities, including any associated equipment for the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line, and telecommunication route from the Last Structure into Antelope Substation.

(v) **Metering.**

Install revenue meters required to meter the retail load at the Small Generating Facility. Notwithstanding that the metering cabinet and meters will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain such facilities as part of the Participating TO's Interconnection Facilities.

(vi) **Power System Control.**

Install one (1) RTU at the Small Generating Facility to monitor typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status for the Small Generating Facility and plant auxiliary load, and transmit the information received thereby to the Participating TO's Grid Control Center. Notwithstanding that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.

2. Network Upgrades. See Attachment 6, Section 1.

3. Distribution Upgrades. See Attachment 6, Section 2.

4. Affected System Upgrades. Not Used.

5. Point of Change of Ownership.

- (a) Antelope - Western Antelope Dry Ranch 66 kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line attach to the Last Structure, which will be connected on the side of the Last Structure facing Antelope Substation. The Interconnection Customer shall own and maintain the Last Structure, the conductors, insulators and jumper loops from such Last Structure to the Interconnection Customer's Small Generating Facility. The Participating TO will own and maintain the

Antelope Substation, as well as all circuit breakers, disconnects, relay facilities and metering within the Antelope Substation, together with the line drop, in their entirety, from the Last Structure to Antelope Substation. The Participating TO will own the insulators that are used to attach the Participating TO-owned conductors to the Last Structure.

- (b) Telecommunication fiber optic cable: The Point of Change of Ownership shall be the point where the fiber optic cable (either ADSS or optical ground wire) for the Antelope – Western Antelope Dry Ranch 66 kV Transmission Line is attached to the Last Structure as well as the jumper loops used to connect the Participating TO-owned conductors to the Interconnection Customer-owned conductors.
- (c) Telecommunication diverse fiber optic cable: The Point of Change of Ownership shall be the point where the fiber-optic cable is attached to the Last Structure.

6. Point of Interconnection. The Participating TO's Antelope 66 kV Substation at the 66 kV bus.

7. One-Line Diagram of Interconnection to Antelope 66 KV Substation.

See Attachment 3.

8. Additional Definitions. For the purposes of these Attachments, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:

- (a) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.
- (b) Annual Tax Security Reassessment: In accordance with the directives of FERC Orders 2003-A and 2003-B associated with Section 11 of this Attachment 2, the annual reassessment of the current tax liability, which will commence the first year after Interconnection Customer's in-service date.
- (c) Applicable Reliability Council: The Western Electricity Coordinating Council or its successor.
- (d) Applicable Reliability Standards: The requirements and guidelines of the North American Electric Reliability Corporation (NERC), the Applicable Reliability Council, and the Balancing Authority Area of the Participating TO's Transmission System to which the Generating Facility is directly interconnected, including the requirements adopted pursuant to Section 215 of the Federal Power Act.
- (e) Back Feed: Retail service for energy delivered to and used by IC in accordance with applicable CPUC rules & regulations.

- (f) Balancing Authority: The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- (g) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities or to the Distribution Upgrades. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; Distribution Upgrades; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; Distribution Upgrades; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities or Distribution Upgrades, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; and the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost or the Distribution Upgrades Cost.
- (h) Capital Additions Cost: All costs, excluding One-Time Cost, determined by Distribution Provider to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- (i) CPUC: The California Public Utilities Commission, or its regulatory successor.
- (j) Credit Support: A parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 6.3 or Article 6.4, as applicable of the SGIA.
- (k) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Attachment 2.
- (l) Delivery Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined in the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Attachment 2.
- (m) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- (n) Distribution Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding ITCC and One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of

the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Attachment 2.

- (o) Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 17 of this Attachment 2.
- (p) Effective Date: The date on which this Agreement becomes effective pursuant to Article 3.1.
- (q) Electric Generating Unit: An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.
- (r) In-Service Date: The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Participating TO's Interconnection Facilities to obtain back feed power.
- (s) Initial Synchronization Date: The date upon which an Electric Generating Unit is initially synchronized and upon which Trial Operation begins.
- (t) Interconnection Customer's Interconnection Facilities: All facilities and equipment, as identified in Attachment 2 of this SGIA, that are located between the Small Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Small Generating Facility to the Participating TO's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.
- (u) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Attachment 2.
- (v) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- (w) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Attachment 2.
- (x) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Attachment 2.

- (y) ITCC (Income Tax Component of Contribution): The ITCC is equal to the estimated tax liability as described in FERC Order 2003 and FERC Order 2003-A and applicable to this SGIA pursuant to Article 1.5.1. ITCC is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Attachment 2 and is shown in Section 15 of this Attachment 2.
- (z) NERC: The North American Electric Reliability Corporation or its successor organization.
- (aa) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.
- (bb) Participating TO's Delivery Network Upgrades: The additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Attachment 6, to relieve constraints on the CAISO Controlled Grid.
- (cc) Participating TO's Interconnection Facilities: Those facilities as described in Section 5(b) of this Attachment 2, as such facilities may be modified during the term of this Agreement.
- (dd) Participating TO's Reliability Network Upgrades: The additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Attachment 6, necessary to interconnect the Small Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Small Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Small Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Standards and Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Small Generating Facility's interconnection may have on a path's Applicable Reliability Council rating. Participating TO's Reliability Network Upgrades do not include any Participating TO's Delivery Network Upgrades.
- (ee) Point of Change of Ownership: The point, as set forth in Attachment 3 to this SGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

- (ff) Q660 Project (TOT522): Western Antelope Blue Sky Ranch A Project.
- (gg) Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Attachment 2.
- (hh) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 17 of this Attachment 2.
- (ii) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities and Distribution Upgrades.
- (jj) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on electric system facilities.
- (kk) Tax Security: The Interconnection Customer's provision of Security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Section 11 of this Attachment 2.
- (ll) Trial Operation: The period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.
- (mm) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this SGIA, as such "List" may be amended from time to time.

9. Transmission Credits. Pursuant to Article 5.3 of the SGIA, the Interconnection Customer elects to receive repayment of the amounts advanced for its share of the costs of the Network Upgrades, which equals the sum of the Reliability Network Upgrades Payment and the Delivery Network Upgrades Payment, as shown in Section 17 of this Attachment 2.

10. Security Amount for the Distribution Upgrades, the Participating TO's Interconnection Facilities and Network Upgrades.

- (a) **Distribution Upgrades:** Pursuant to Article 6.3 or 6.4 (as applicable) and Attachment 4 of the SGIA, the Interconnection Customer shall provide Credit Support in the total

amount of \$0 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Distribution Upgrades.

- (b) The Participating TO's Interconnection Facilities: Pursuant to Article 6.4 and Attachment 4 of the SGIA, the Interconnection Customer shall provide a total Credit Support in the amount of \$2,441,000 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities.
- (c) Network Upgrades: Pursuant to Article 6.4 and Attachment 4 of the SGIA, the Interconnection Customer shall provide a total Credit Support in the amount of \$563,584 to cover the Western Antelope Dry Ranch Project's pro rata share of the costs for constructing, procuring and installing the Network Upgrades.
- (d) To the extent that any Credit Support is not utilized by the Participating TO, the release of such Credit Support shall be made in accordance with the Interconnection Customer's instruction.
- (e) The Phase II Interconnection Study identified shared Reliability Network Upgrades and shared Participating TO's Interconnection Facilities that will be used by a group of projects, Q660 Project (TOT522) and Western Antelope Dry Ranch Project. The Credit Support that must be posted for the shared Reliability Network Upgrades and shared Participating TO's Interconnection Facilities were calculated by assigning a pro rata share of the costs to each of the projects based on the number of projects that will use the relevant facilities at the time when the Credit Support for Q660 Project (TOT522) and Western Antelope Dry Ranch Project must be posted. If, prior to the completion of construction of the shared Reliability Network Upgrades or shared Participating TO's Interconnection Facilities, any of the interconnection requests for these projects are withdrawn or any of the interconnection agreements for these projects are terminated, the Credit Support obligation for shared Reliability Network Upgrades or shared Participating TO's Interconnection Facilities, as applicable, shall be reallocated and divided among the remaining projects in the group. If such an event occurs, this SGIA shall be amended accordingly to reflect the Interconnection Customer's updated Credit Support obligations.

11. Security Amount for Estimated Tax Liability. The Interconnection Customer's estimated tax liability is as follows:

$$\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation}) / (1 - \text{Current Tax Rate}) = 35\%$$

$$\text{Estimated tax liability for Distribution Upgrades} = 35\% \times (\text{Distribution Upgrades Cost}) = 35\% \times (\$0) = \$0$$

$$\text{Estimated tax liability for Participating TO's Interconnection Facilities} = 35\% \times (\text{Interconnection Facilities Cost}) = 35\% \times \$2,441,000 = \$854,350$$

Estimated tax liability assumes the following costs:

Interconnection Facilities Cost = \$2,441,000

Distribution Upgrades Cost = \$0

Based upon the total estimated tax liability, the Interconnection Customer shall provide the Participating TO cash, or a letter of credit in the amount of \$854,350, pursuant to Attachment 4 of the SGIA. The cash or letter of credit shall be in the form provided for in Section 6.4 of the SGIA.

Upon notification of the Annual Tax Security Reassessment, the Interconnection Customer shall modify its Tax Security accordingly. If the Annual Tax Security Reassessment results in a deficiency in the Tax Security amount, the Interconnection Customer will be required to increase its Tax Security Amount within 30 days after receipt of the deficiency notification. If the Annual Tax Security Reassessment results in a reduction of the Tax Security amount, the Interconnection Customer may choose to reduce its Tax Security amount or maintain the Tax Security in the current amount for the following year.

The Annual Tax Security Reassessment will be calculated utilizing the following methodology:

- 1) Tax Assessment Event:

$$\frac{((\text{Current Tax Rate} \times (\text{Gross income} - \text{NPV Tax Depreciation})) + \text{Interest})}{(1 - \text{Current Tax Rate})}$$
- 2) Subsequent Taxable Event:

$$\frac{(\text{Current Tax Rate} \times (\text{Replacement Facility Cost} - \text{NPV Tax Depreciation}))}{(1 - \text{Current Tax Rate})}$$

The Credit Support obligation required in this Article 11 shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations.

12. Removal of the Participating TO's Interconnection Facilities and Distribution

Upgrades. Following termination of the SGIA, where such termination is not in accordance with Section 18 of Attachment 2, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer, pursuant to Article 3.3 of the SGIA. On or before the date one year following termination of the SGIA, the Participating TO shall notify the Interconnection Customer as to whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Participating TO shall physically remove such

facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

13. Charges.

- (a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the SGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Section 14(g) of this Attachment 2; (viii) Removal Cost pursuant to Section 12 of this Attachment 2; (ix) termination charges pursuant to Article 3.3.4 of the SGIA; (x) disconnection costs pursuant to Article 3.3.3 of the SGIA; and (xi) suspension costs if suspension of work under this SGIA is permitted by the CAISO and the Participating TO.
- (b) The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, Capital Additions Cost, One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.
- (c) If, during the term of the SGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) that contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.
- (d) If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions; and no adjustment will be made to the Interconnection Facilities Cost or the Distribution Upgrades Cost; and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.

14. Supplemental Billing and Payment Provisions.

- (a) Pursuant to Article 6 of the SGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment and Reliability Network Upgrades Payment.
- (b) Pursuant to Article 4.1.2 of the SGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The

Interconnection Facilities Charge shall initially be based on the estimated Interconnection Facilities Cost, as specified in Section 15 of this Attachment 2, and payments made for such Interconnection Facilities Charge shall be subject to later adjustment pursuant to Sections 14(b)(i) and 14(b)(ii) of this Attachment 2. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.

- (i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge, as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (iii) Commencing on or following the Distribution Upgrades Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge shall initially be based on the estimated Distribution Upgrades Cost for the applicable Distribution Upgrades, as specified in Section 15 of this Attachment 2, and payments made for such Distribution Upgrades Charge shall be subject to later adjustment pursuant to Section 14(c)(i) and 14(c)(ii) of this Attachment 2. The Distribution Upgrades Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months. If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.
- (iv) If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge, as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.

- (c) In the event that any portion of the Participating TO's Interconnection Facilities is not complete but, at the request of the Interconnection Customer, the Participating TO commences interconnection service under this SGIA notwithstanding the incomplete facilities, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.
- (d) In accordance with Article 4.1.2 of the SGIA, the Participating TO shall submit invoices to the Interconnection Customer for the preceding month for Capital Additions payments due, if any.
 - (i) For Capital Additions that are the cost responsibility of the Interconnection Customer, the Participating TO will provide at least sixty (60) calendar days advance written notification to the Interconnection Customer prior to commencing work, except that the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced, at the Participating TO's sole discretion, if the Participating TO determines that the Capital Additions are required to comply with safety or regulatory requirements or to preserve system integrity or reliability. Any such written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer, which is sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 6 of the SGIA.
 - (ii) Except as provided in Section 13(d) of this Attachment 2, if certain of the Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted to reflect the change in the Interconnection Facilities Cost as of the in-service date of such Capital Additions.
 - (iii) Except as provided in Section 13(d) of this Attachment 2, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.
- (e) As soon as reasonably practicable, but within six (6) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO will refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30)

calendar days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) calendar days of the issuance of such final construction invoice.

- (f) If, in accordance with the removal of the Participating TO's Interconnection Facilities, as specified in Section 12 of this Attachment 2, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost within thirty (30) calendar days of such bill. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) calendar days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) calendar days of the issuance of such final invoice.
- (g) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the SGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the SGIA.
- (h) If suspension of work under this SGIA is permitted by the CAISO and the Participating TO, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this SGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection

Customer's authorization to do so. The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. The suspension period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the CAISO, if no effective date is specified.

15. Distribution Upgrades Cost, Delivery Network Upgrade Cost, Interconnection Facilities Cost and Reliability Network Upgrade Cost Summary.

(a) Estimated Cost:

Element-	Shared Interconnection Facilities Cost*	Sole-Use Interconnection Facilities Cost	Interconnection Facilities Cost*	Shared Reliability Network Upgrades Cost*	Reliability Network Upgrades Cost*	Distribution Upgrades Cost	Total	ITCC**
Participating TO's Interconnection Facilities								
66 kV Gen-Tie Segment into Antelope Substation	\$1,704,000		\$852,000				\$852,000	\$298,200
66 kV Gen-Tie Line Position – Line Drop (Dead End Structure, Relays)	\$282,000		\$141,000				\$141,000	\$49,350
Telecommunications	\$324,000		\$162,000				\$162,000	\$56,700
Telecom – cable, lightwave, etc. to support diverse protection & SCADA	\$694,000		\$347,000				\$347,000	\$121,450
Corporate Environmental Health & Safety	\$618,000		\$309,000				\$309,000	\$108,150
Real Properties		\$70,000	\$70,000				\$70,000	\$24,500
Corporate Environmental Health & Safety - to support telecom for RTU at generating facility		\$428,000	\$428,000				\$428,000	\$149,800
Metering Services		\$32,000	\$32,000				\$32,000	\$11,200

Power System Control – RTU at Generating Facility		\$100,000	\$100,000				\$100,000	\$35,000
Subtotal		\$630,000	\$2,441,000				\$2,441,000	\$854,350
Distribution Upgrades						\$0	\$0	
Participating TO's Reliability Network Upgrades								
Corporate Environmental Health & Safety				\$58,000	\$29,000		\$29,000	
Antelope Circuit Breakers & Disconnect Sw.				\$1,010,000	\$505,000		\$505,000	
RTU points at Antelope Sub				\$36,000	\$18,000		\$18,000	
Vincent Sub Circuit Breaker Upgrades					\$11,584		\$11,584	
Subtotal				\$1,104,000	\$563,584		\$563,584	
Total			\$2,441,000		\$563,584	\$0	\$3,004,584	\$854,350

*Note: Western Antelope Dry Ranch Project and Q660 Project (TOT522) will share the same Interconnection Facilities and Reliability Network Upgrades, excluding Reliability Network Upgrades identified in Attachment 6, Section 1(b)(i)2. On the Effective Date, Western Antelope Dry Ranch Project will be responsible for 50% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs as shown above. The Interconnection Facilities Costs and Reliability Network Upgrades costs shown above reflect Western Antelope Dry Ranch Project's current share of the cost responsibility. The remaining 50% will be the cost responsibility of Q660 Project (TOT522). In the event that Q660 Project (TOT522) terminates its SGIA prior to completion of construction of the shared Interconnection Facilities and shared Reliability Network Upgrades, this SGIA shall be amended to reflect that Western Antelope Dry Ranch Project will be responsible for 100% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs.

**Note: ITCC/Estimated Tax Liability will be provided pursuant to Attachment 2, Section 11.

All amounts shown above are in nominal dollars.

(b) Actual Cost:

[TO BE INSERTED AFTER TRUE-UP OF ACTUAL COSTS]

Element	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Distribution Upgrades Cost	Total	ITCC

Total					

16. Interconnection Facilities Charge and Distribution Upgrades Charge.

- (a) Interconnection Facilities Charge = Customer-Financed Monthly Rate x
(Interconnection Facilities Cost)

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection Facilities Completion Date	0.38%	\$2,441,000	\$9,275.80	[to be inserted after true-up]	[to be inserted after true-up]

17. Payment Schedule and Associated ITCC.

The payment amounts shown below are based on an estimate of the monthly incurred costs for the Distribution Upgrades, Participating TO's Interconnection Facilities, and Network Upgrades.

Payment No.	Payment Due Date	Interconnection Facilities Cost (A)	Reliability Network Upgrades Cost (B)	Circuit Breaker Reliability Upgrades (Not Subject to ITCC) (C)	Total Payment Amount (D = A+B+C)	ITCC (E = (A) *35%)
1	7/1/12	\$0	\$1,000	\$34	\$1,034	\$854,350
2	8/1/12	\$37,000	\$3,000	\$35	\$40,035	
3	9/1/12	\$75,000	\$5,000	\$76	\$80,076	
4	10/1/12	\$80,000	\$6,000	\$101	\$86,101	
5	11/1/12	\$86,000	\$8,000	\$131	\$94,131	
6	12/1/12	\$90,000	\$9,000	\$162	\$99,162	
7	1/1/13	\$100,000	\$10,000	\$192	\$110,192	
8	2/1/13	\$108,000	\$13,000	\$228	\$121,228	
9	3/1/13	\$114,000	\$15,000	\$264	\$129,264	
10	4/1/13	\$130,000	\$17,000	\$316	\$147,316	
11	5/1/13	\$162,000	\$19,000	\$415	\$181,415	
12	6/1/13	\$207,000	\$38,000	\$840	\$245,840	

13	7/1/13	\$212,000	\$58,000	\$1,296	\$271,296	
14	8/1/13	\$142,000	\$59,000	\$1,333	\$202,333	
15	9/1/13	\$110,000	\$52,000	\$1,177	\$163,177	
16	10/1/13	\$113,000	\$26,000	\$555	\$139,555	
17	11/1/13	\$128,000	\$25,000	\$534	\$153,534	
18	12/1/13	\$139,000	\$30,000	\$617	\$169,617	
19	1/1/14	\$154,000	\$37,000	\$721	\$191,721	
20	2/1/14	\$126,000	\$37,000	\$776	\$163,776	
21	3/1/14	\$72,000	\$35,000	\$744	\$107,744	
22	4/1/14	\$43,000	\$30,000	\$622	\$73,622	
23	5/1/14	\$12,000	\$15,000	\$351	\$27,351	
24	6/1/14	\$1,000	\$4,000	\$64	\$5,064	
Totals		\$2,441,000	\$552,000	\$11,584	\$3,004,584	\$854,350

All amounts shown above are in nominal dollars.

*Note: Western Antelope Dry Ranch Project and Q660 Project (TOT522) will share the same Interconnection Facilities and Reliability Network Upgrades, excluding Reliability Network Upgrades identified in Attachment 6, Section 1(b)(i)2. On the Effective Date, Western Antelope Dry Ranch Project will be responsible for 50% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs. The Interconnection Facilities Costs and Reliability Network Upgrades costs shown in the Payment Schedule above reflect Western Antelope Dry Ranch Project's current share of the cost responsibility. The remaining 50% will be the cost responsibility of Q660 (TOT522) Project. In the event that Q660 Project (TOT522) terminates its SGIA prior to completion of construction of the shared Interconnection Facilities and shared Reliability Network Upgrades, this SGIA shall be amended, and Western Antelope Dry Ranch Project will be responsible for 100% of the shared Interconnection Facilities Costs and shared Reliability Network Upgrades Costs.

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$2,441,000

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$563,584

Transmission credits pursuant to Section 9 of this Attachment 2 = Reliability Network Upgrades Payment + Delivery Network Upgrades Payment = \$563,584

*ITCC will be provided by Interconnection Customer in accordance with Section 11 of this Attachment 2.

18. Costs for Distribution Upgrades.

~~(a) **Reclassification of Network Upgrades:** The following Network Upgrades identified for the Western Antelope Dry Ranch Project may be reclassified as Distribution Upgrades as represented in the Phase II Interconnection Study:~~

~~All of the Participating TO's Reliability Network Upgrades described in Attachment 6 of this SGIA.~~

~~The estimated cost of these Network Upgrades subject to reclassification is approximately \$563,584. The ITCC associated with these upgrades is \$197,254.~~

Upon reclassification of facilities from Network Upgrade to Distribution Upgrades, one of the following alternatives will be applicable:

- i) ~~Should the Point of Interconnection remain part of the CAISO Controlled Grid, this SGIA will be amended to reflect the following:~~
- ~~a. The reclassified facilities will be reflected in the SGIA as Distribution Upgrades.~~
 - ~~b. The Interconnection Customer's cost responsibility for Distribution Upgrades will be increased to reflect the Interconnection Customer's allocated share of the total cost of the reclassified facilities.~~
 - ~~c. The Interconnection Customer's cost responsibility for Network Upgrades will be decreased to remove the Interconnection Customer's allocated share of the total cost of the reclassified facilities.~~
 - ~~d. The Credit Support amounts reflected in Section 10 and Section 11 of this SGIA Attachment 2, will be modified to reflect the facilities' reclassification.~~
 - ~~e. The obligation for the CAISO and the Participating TO to provide repayment of amounts advanced for Network Upgrades or Congestion Revenue Rights in accordance with Article 5.3 of the SGIA associated with the reclassified facilities will cease as of the effective date of the reclassification from Network Upgrades to Distribution Upgrades.~~
- ii) ~~Should the Point of Interconnection change from the CAISO Controlled Grid to the Distribution System, then the Participating TO and the Interconnection Customer will negotiate in good faith to replace this SGIA with a Generation Interconnection Agreement ("GIA") consistent with the pro forma contained in the Participating TO's Wholesale Distribution Access Tariff ("WDAT"), Attachment I, Appendix 5. Upon the effective date of the replacement GIA, the Parties will terminate this SGIA. Prior to the effective date of the reclassification of the Network Upgrades as Distribution Upgrades, the Interconnection Customer will be required to obtain distribution service for the Western Antelope Dry Ranch Project pursuant to the Participating TO's WDAT to deliver power from the Point of Interconnection on the Distribution System to the CAISO Controlled Grid.~~

~~The obligation for the CAISO and the Participating TO to provide repayment of amounts advanced for Network Upgrades or Congestion Revenue Rights in accordance with Article 5.3 of this SGIA associated with the reclassified facilities will cease as of the effective date of the reclassification from Network Upgrades to Distribution Upgrades.~~

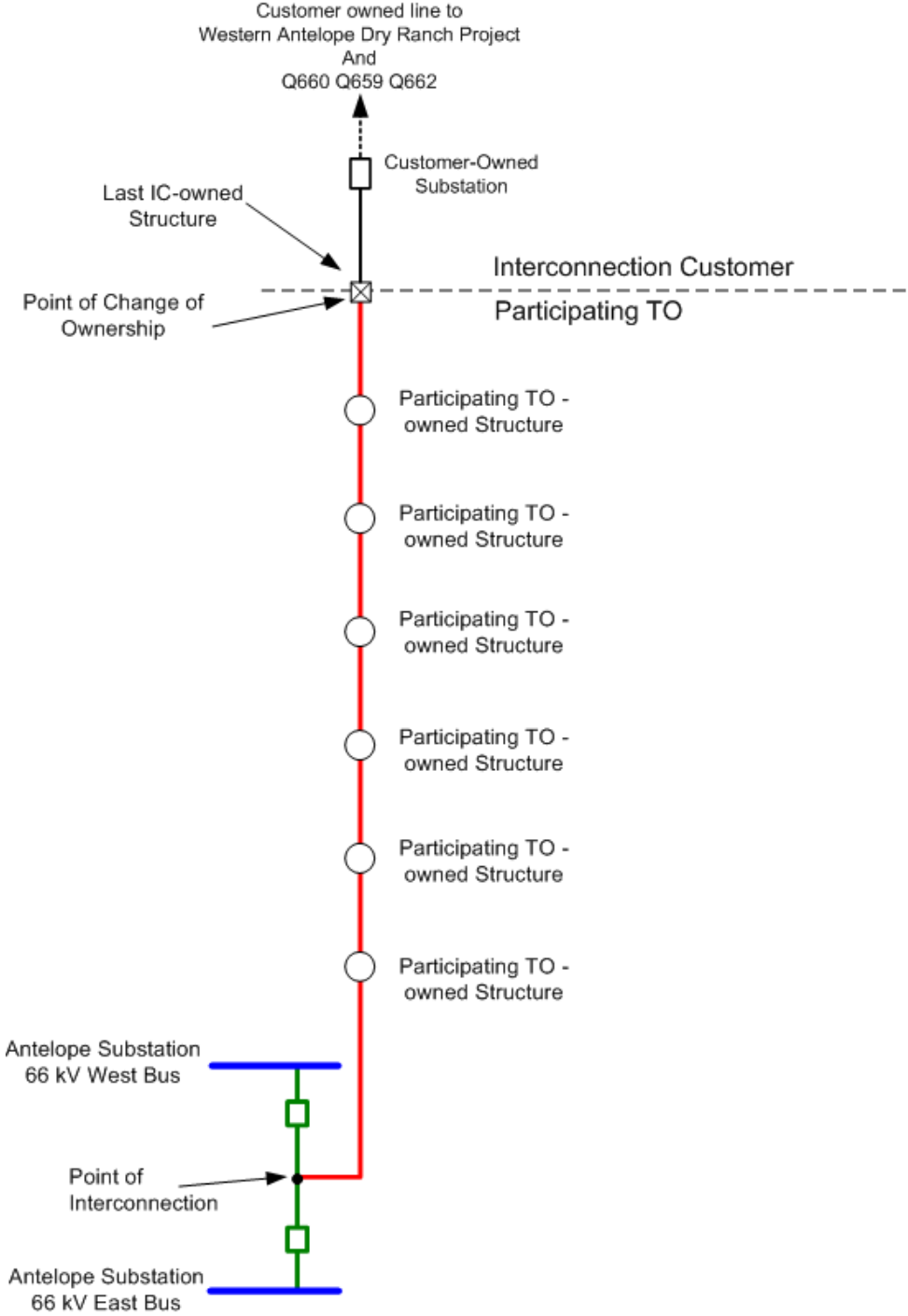
~~The new GIA will reflect the following terms:~~

- ~~a. The reclassified facilities will be reflected in the GIA as Distribution Upgrades.~~

- ~~b. The Interconnection Customer's cost responsibility for Distribution Upgrades will be increased to reflect the Interconnection Customer's allocated share of the total cost of the reclassified facilities.~~
- ~~c. The Interconnection Customer's cost responsibility for Network Upgrades will be decreased to remove the Interconnection Customer's allocated share of the total cost of the reclassified facilities.~~
- ~~d. The Credit Support amounts reflected in Section 10 and Section 11 of this SGIA Attachment 2, will be modified to reflect the facilities' reclassification.~~

ATTACHMENT 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades



Note: This one-line diagram depicts technical information known by the Parties as of the date of the filing of this SGIA.

ATTACHMENT 4**Milestones**

In-Service Date: June 30, 2014

Critical milestones and responsibility as agreed to by the Parties¹:

Item	Milestone	Responsible Party	Due Date
(a)	Submit proof of insurance coverage in accordance with Article 8.1 of the SGIA	Interconnection Customer	Within ten (10) calendar days of the Effective Date
(b)	Submittal of second posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO, pursuant to Section 9.3 of the GIP and Article 6.4 and Section 10 of Attachment 2 of the SGIA	Interconnection Customer	Completed
(c)	Submittal of third posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO, pursuant to Section 9.3 of the GIP and Article 6.4 and Section 10 of Attachment 2 of the SGIA	Interconnection Customer	On or before the start of construction of Network Upgrades or Participating TO's Interconnection Facilities (whichever is earlier).
(d)	Submittal of security for the estimated tax liability to the Participating TO, pursuant to Section 11 of Attachment 2 of the SGIA	Interconnection Customer	Within thirty (30) calendar days of the Effective Date
(e)	Completion of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades	Participating TO	Within (24) months following the Effective Date*

¹ The Parties acknowledge that the milestone dates in this table reflect the Participating TO's current estimates, based on currently available information, and that in order to expedite the SGIA process, the Participating TO is providing these dates prior to the completion of its final engineering studies. The Parties understand and acknowledge that following the Participating TO's completion of its final engineering studies, the milestones may change to either earlier or later dates.

(f)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Small Generating Facility, including system protection facilities, to the Participating TO and the CAISO	Interconnection Customer	At least one hundred eighty (180) calendar days prior to the Initial Synchronization Date
(g)	Submittal of initial information including the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment	Participating TO	At least one hundred eighty (180) calendar days prior to Trial Operation
(h)	Submittal of updated information by the Interconnection Customer, including manufacturer information	Interconnection Customer	No later than one hundred eighty (180) calendar days prior to Trial Operation
(i)	Review of and comment on the Interconnection Customer's initial specifications	Participating TO and CAISO	Within thirty (30) calendar days of the Interconnection Customer's submission of initial specifications
(j)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Small Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO	Interconnection Customer	At least ninety (90) calendar days prior to the Initial Synchronization Date.
(k)	Review of and comment on the Interconnection Customer's final specifications	Participating TO and CAISO	Within thirty (30) calendar days of the Interconnection Customer's submission of final specifications
(l)	Notification of Balancing Authority Area to the Participating TO and the CAISO	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(m)	Performance of a complete calibration test and functional trip test of the system protection facilities	Interconnection Customer and Participating TO	At least thirty (30) calendar days prior to the In-Service Date
(n)	In-Service Date	Interconnection Customer	June 30, 2014
(o)	Initial Synchronization Date/Trial Operation	Interconnection Customer	July 1, 2014

(p)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades, Network Upgrades, and testing of the Interconnection Customer's Interconnection Facilities and Small Generating Facility in accordance with Article 2.1 of the SGIA	Interconnection Customer and Participating TO	At least thirty (30) calendar days prior to the Initial Synchronization Date
(q)	Provide written approval to the Interconnection Customer for the operation of the Small Generating Facility, in accordance with Article 2.2.2 of the SGIA	Participating TO	At least fifteen (15) calendar days prior to the Initial Synchronization Date
(r)	Commercial Operation Date	Interconnection Customer	July 30, 2014
(s)	Submittal to the Participating TO of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units to the Participating TO and the CAISO	Interconnection Customer	Within one hundred twenty (120) calendar days after the Commercial Operation Date, unless otherwise agreed

* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or other unforeseen events could delay the actual in-service dates of the Participating TO's Interconnection Facilities, Distribution Upgrades, or Network Upgrades beyond those specified. The Participating TO shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this SGIA.

If suspension of work under this SGIA is permitted by the CAISO and the Participating TO, then all milestones for each Party set forth in this Attachment 4 shall be suspended during the suspension period except for the milestones requiring posting of Interconnection Financial Security for the Network Upgrades common to multiple generating stations. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Attachment 4 and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.

The Interconnection Customer also understands and agrees that the method of service required to interconnect the Small Generating Facility may require re-evaluation due to the suspension of the project and changes to the Participating TO's electrical system or addition of new generation.

Agreed to by:

For the Participating TO _____ Date _____

Kevin M. Payne

For the CAISO _____ Date _____

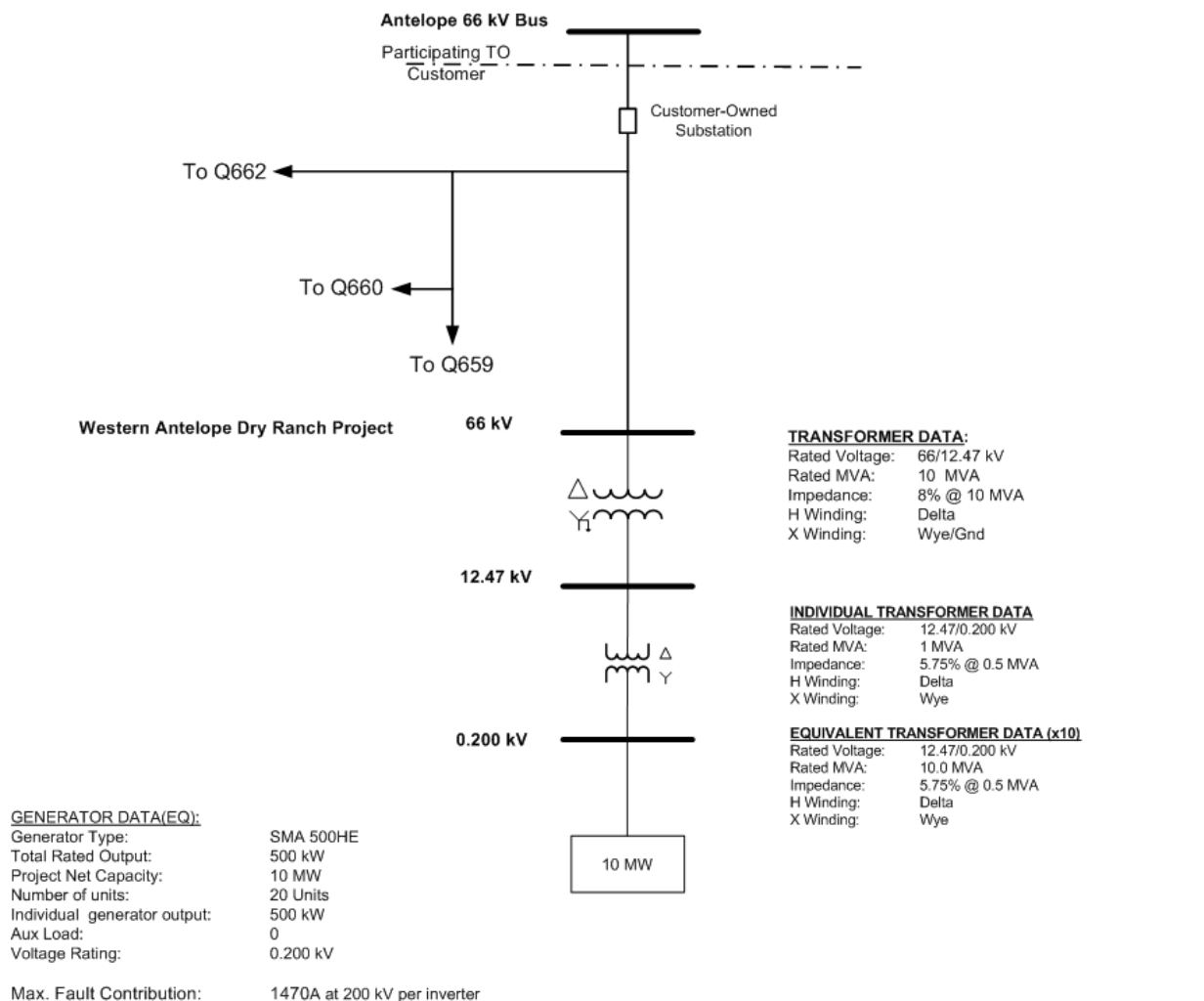
For the Interconnection Customer _____ Date _____

ATTACHMENT 5

Additional Operating Requirements for the CAISO Controlled Grid and Affected Systems Needed to Support the Interconnection Customer's Needs

The Participating TO and the CAISO shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the CAISO Controlled Grid.

- 1. Generating Facility:** All equipment and facilities comprising the Western Antelope Dry Ranch generating facility in Lancaster, California, as disclosed by the Interconnection Customer in its Interconnection Request, as may have been amended during the Interconnection Study process, which consists of (i) a solar photovoltaic generating facility with a maximum capacity of 10 MW, (ii) the associated infrastructure and step-up transformers, (iii) meters and metering equipment, and (iv) appurtenant equipment. The Western Antelope Dry Ranch Project shall consist of the Small Generating Facility and the Interconnection Customer's Interconnection Facilities.



2. Interconnection Customer Operational Requirements.

- (a) Pursuant to Article 1.5.2 of the SGIA, the Interconnection Customer shall operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff; NERC and the Applicable Reliability Council requirements; and Applicable Reliability Standards.
- (b) The Small Generating Facility shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.
- (c) The Parties agree that the Interconnection Customer shall not hold the Participating TO liable for damage to any Small Generating Facility turbines that may be caused due to sympathetic generation tripping associated with the Interconnection Customer's induction turbine design.
- (d) Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard or any alternative Applicable Reliability Standard or applicable reliability council standard. In the event of a conflict among ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, or any alternative Applicable Reliability Standard or applicable reliability council standard, the alternative Applicable Reliability Standard or applicable reliability council standard shall control.

3. Interconnection Principles:

- (a) This SGIA provides for interconnection of a total capacity of 10 MW, resulting from the interconnection of the Western Antelope Dry Ranch Project, as described in Section 1 of this Attachment 5. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this SGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.
- (b) The costs associated with any mitigation measures required to third party transmission systems, which result from interconnection of the Western Antelope Dry Ranch Project to the Participating TO's electrical system, are not reflected in this SGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, the Interconnection Customer shall enter into an agreement with such third parties in accordance with Section 12.4 of the GIP to address any required mitigation.

- (c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection Service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, then the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.
- (d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Western Antelope Dry Ranch Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Western Antelope Dry Ranch Project or the Interconnection Customer's Interconnection Facilities.
- (e) The Participating TO's approval process specified in Article 2.1.1 of the SGIA will include verification that the low-voltage ride-through, SCADA capability, and power factor correction equipment, if any, required pursuant to Attachment 7 of this SGIA, have been installed.
- (f) The Interconnection Customer shall complete and receive approval for all environmental impact studies and any permitting necessary for the construction, operation and maintenance of the Western Antelope Dry Ranch Project. The Interconnection Customer shall include the Participating TO's Interconnection Facilities Distribution Upgrades and Network Upgrades described in Attachment 2 of this SGIA in all such environmental impact studies, where applicable. The Interconnection Customer shall provide the results of such studies and approvals to the Participating TO for use in the Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades described in Attachment 2 of this SGIA.
- (g) The Interconnection Customer is responsible for all costs associated with any necessary relocation of any of the Participating TO's facilities as a result of the Western Antelope Dry Ranch Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of the Participating TO's facilities or use of the Participating TO's property rights shall only be permitted upon written agreement between the Participating TO and the Interconnection Customer.

Any proposed relocation of the Participating TO's facilities or use of the Participating TO's property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of the Participating TO's facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered to be associated with a Network Upgrade or Distribution Upgrade and would not be refundable to the Interconnection Customer pursuant to Article 5.3 of this SGIA.

- (h) This SGIA does not address any requirements for standby power or temporary construction power that the Small Generating Facility may require prior to the in-service date of the Interconnection Facilities. Should the Small Generating Facility require standby power or temporary construction power from the Participating TO prior to the in-service date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with the Participating TO to receive and pay for such retail service.

4. Cluster Study Group:

The Western Antelope Dry Ranch Project participated in the CAISO's Queue Cluster 1&2 for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid.

5. Interconnection Operations:

- (a) The Interconnection Customer shall cause the Western Antelope Dry Ranch Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the SGIA, for loss of generation output when (i) the Small Generating Facility's generation is reduced or the Western Antelope Dry Ranch Project is tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. In accordance with Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this SGIA.
- (b) The SGIA governs the facilities required to interconnect the Small Generating Facility to Participating TO's electrical system pursuant to the CAISO Tariff and as described herein. Interconnection Customer shall be responsible for making all necessary operational arrangements with the CAISO, including, without limitation, arrangements for obtaining transmission service from the CAISO, and for scheduling delivery of energy and other services to the CAISO Controlled Grid.
- (c) The Interconnection Customer shall cause the Small Generating Facility to participate

in CAISO congestion management.

- (d) Following outages of the Interconnection Facilities or the Small Generating Facility, the Interconnection Customer shall not energize the Western Antelope Dry Ranch Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.
- (e) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.
- (f) The Interconnection Customer has elected for the Small Generating Facility to have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff. The Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, the Small Generating Facility will have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff.
- (g) Technical assessments may be performed by the Participating TO on an as needed basis, at the Interconnection Customer's expense, to confirm if any of the facilities, upgrades or replacements identified in the Phase II Interconnection Study are required to be advanced in order to accommodate interconnection of the Western Antelope Dry Ranch Project. In the event that it is determined by the Participating TO that any such facilities, upgrades or replacements are required to be advanced in order to accommodate interconnection of the Small Generating Facility, such advancement shall be addressed in accordance with Section 12.2.2 of the GIP. Additionally, technical assessments may be required prior to the interconnection of the Western Antelope Dry Ranch Project due to the changes in the generation interconnection queue and the electrical system since the Interconnection Studies were completed. These technical assessments may identify Participating TO's Reliability Network Upgrades and Participating TO's Delivery Network Upgrades that are different from those included in the SGIA. As a result of these technical assessments, this SGIA may require amending to reflect such upgrades and associated costs.
- (h) Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Small Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Small Generating Facility, the Interconnection Facilities and the Participating TO's electrical system; and (iii) disconnect or remove

the Access Party's facilities and equipment upon termination of this SGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Interconnection Customer and Participating TO shall execute any necessary supplemental agreements, as determined by the Participating TO, to effectuate and record such easement(s) which provides the Participating TO unrestricted 24 hour access to Participating TO's Interconnection Facilities, and Distribution Upgrades, and Network Upgrades, if applicable, located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.

- (i) Compliance with Applicable Reliability Standards: The Interconnection Customer shall comply with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion as to whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the Small Generating Facility up to the Point of Change of Ownership, as described in Section 5 of Attachment 2 of this SGIA.

6. Insurance:

- (a) Each Party shall, at its own expense, maintain in force throughout the period of this SGIA, and until released by the other Party, the following minimum insurance coverage, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located:
 - (i) Employer's Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located. Either party may meet the requirement for workers compensation insurance through self-insurance if it is authorized to self-insure by the applicable state.
 - (ii) Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000.00) per occurrence/one million dollars (\$1,000,000.00)

aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- (iii) Business Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury, including death, and property damage.
- (iv) For this 10 MW project, excess Public Liability Insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of one million dollars (\$1,000,000.00) per occurrence/ten million dollars (\$10,000,000.00) aggregate. The requirements of section ii and iv may be met by any combination of general and excess liability insurance.
- (v) The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, its subsidiaries and the respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this SGIA against the Other Party Group and endeavor to provide thirty (30) calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- (vi) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- (vii) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this SGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- (viii) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this SGIA.
- (ix) No later than ten (10) Business Days prior to the anticipated commercial operation date of this SGIA, and as soon as practicable after the end of each fiscal

year or at the renewal of the insurance policy and in any event within ninety (90) calendar days thereafter, each Party shall provide certification of all insurance required in this SGIA, executed by each insurer or by an authorized representative of each insurer.

- (b) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 8 of this SGIA and this Attachment 5 Section 6 to the extent it maintains a self-insurance program; provided that, Interconnection Customer's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Article 8 of this SGIA and this Attachment 5 Section 6. For any period of time that Interconnection Customer's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, each Party shall comply with the insurance requirements applicable to it under Article 8 of this SGIA and this Attachment 5 Section 6. In the event that a Party is permitted to self-insure, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 8 of this SGIA and this Attachment 5 Section 6.
- (c) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this SGIA.

ATTACHMENT 6

Participating TO's Description of its Upgrades and Best Estimate of Upgrade Costs

The Participating TO shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Participating TO shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

1. Network Upgrades.

- (a) **Stand Alone Network Upgrades.** None.
- (b) **Other Network Upgrades.**
 - (i) **Participating TO's Reliability Network Upgrades.** The Participating TO shall:
 1. **Antelope Substation.** Implement the following upgrades at the Antelope 66kV Substation to support interconnection for the Western Antelope Dry Ranch Project and termination of the Antelope - Western Antelope Dry Ranch 66 kV Transmission Line.
 - a. Circuit Breakers – Two (2) 2000 A 40 kA 66 kV circuit breakers
 - b. Disconnect Switches – Four (4) 2000 A 40 kA horizontal-mounted group-operated disconnect switches
 - c. Bay position conductor
 - d. Power System Controls: Modify points on existing RTU to account for new gen-tie
 2. **Short-Circuit Duty Mitigation:** The Participating TO shall: Replace four Vincent 500 kV circuit breakers (CB722, CB852, CB952, and CB862) to achieve 63 kA rating. The timing of replacement of these four circuit breakers is tied to actual development of generation projects throughout SCE's service territory as well as completion of corresponding Deliverability Network Upgrades. Additional review of these breakers will be performed as projects execute interconnection agreements to identify need and schedule installation of these circuit breaker replacements.
 3. **Real Properties, Transmission Project Licensing, and Environmental Health and Safety.** Perform all required functions to obtain easements and/or acquire land, obtain licensing and permits, and perform all required environmental

activities for the installation of the Participating TO's Reliability Network Facilities.

(ii) **Participating TO's Delivery Network Upgrades.** None.

2. Distribution Upgrades. None. See Attachment 2, Section 18.

ATTACHMENT 7

Interconnection Requirements for an Asynchronous Generating Facility

Attachment 7 sets forth requirements and provisions specific to all Asynchronous Generating Facilities. All other requirements of this Agreement continue to apply to all Asynchronous Generating Facility interconnections.

A. Technical Standards Applicable to Asynchronous Generating Facilities

i. Low Voltage Ride-Through (LVRT) Capability

An Asynchronous Generating Facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the requirements below.

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.
4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Attachment 7

- or single-phase faults exceeding the duration described in Section A.i.2 of this Attachment 7.
5. The requirements of this Section A.i. of this Attachment 7 do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.
 6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.
 7. Asynchronous Generating Facilities may meet the requirements of this Section A.1 of this Attachment 7 through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility or by a combination of generating unit performance and additional equipment.
 8. The provisions of this Section A.i of this Attachment 7 apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.

ii. Frequency Disturbance Ride-Through Capacity

An Asynchronous Generating Facility shall comply with the off nominal frequency requirements set forth in the WECC Under Frequency Load Shedding Relay Application Guide or successor requirements as they may be amended from time to time.

iii. Power Factor Design and Operating Requirements (Reactive Power)

An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this SGIA in order to maintain a specified voltage schedule, if the Phase II Interconnection Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two, if agreed to by the Participating TO and CAISO. The Interconnection Customer shall not disable power factor equipment while the Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.

iv. Supervisory Control and Data Acquisition (SCADA) Capability

An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The

Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.

v. Power System Stabilizers (PSS)

Power system stabilizers are not required for Asynchronous Generating Facilities.

ATTACHMENT 8

[This Attachment is Intentionally Omitted]

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the above-referenced proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C. this 17th day of December 2012.

/s/ Daniel Klein
Daniel Klein