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January 5, 2005

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

RE: Joint Filing of the Large Generator Interconnection Agreement of the California Independent System Operator Corporation, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company -- Docket Nos. ER04-445-00_, ER04-435-00_, ER04-441-00_, ER04-443-00_.

Dear Secretary Salas:

In compliance with the Federal Energy Regulatory Commission's ("Commission" or "FERC") July 30, 2004 "Order Rejecting Order Nos. 2003 and 2003-A Compliance Filings," 108 FERC ¶ 61,104 (2004) ("July 30 Order") and Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d (2003), and Section 35.13 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 35.13 (2003), the California Independent System Operator Corporation ("ISO"), Pacific Gas and Electric Company ("PG&E"), San Diego Gas & Electric Company ("SDG&E"), and Southern California Edison Company ("SCE") (collectively the "Filing Parties")¹ hereby submit six copies of a Standard Large Generator Interconnection Agreement ("LGIA") for Commission approval as a *pro forma* agreement.² Concurrent with this filing, the ISO is filing with the Commission its Standard Large Generator Interconnection Procedures ("LGIP"). The Filing

¹ Collectively, PG&E, SDG&E, and SCE are referred to herein as the "PTOs."

² Capitalized terms that are not otherwise defined are defined in the LGIA.

Parties are also tendering two copies to be time and date stamped and returned to our courier.

I. BACKGROUND

A. Procedural History

On October 21, 2001, the Commission began the process of standardizing agreements and procedures for generator interconnection to electrical transmission systems with the issuance of its Advanced Notice of Proposed Rulemaking (“ANOPR”).³ Feedback on the ANOPR resulted in the Notice of Proposed Rulemaking (“NOPR”) issued on April 24, 2002.⁴ Comments were submitted to the Commission in response to the NOPR from a wide range of generation and transmission companies, including transmission providers such as the ISO. The Commission responded to the comments received and set out *pro forma* documents for large generator interconnection, in its Final Rule, Order No. 2003, issued on July 24, 2003.⁵

Order No. 2003 both addressed comments received and set out a *pro forma* LGIA and LGIP and related study agreements. Order No. 2003 directed providers of transmission service to make a compliance filing of an LGIA and LGIP within 60 days of the date of publication of Order No. 2003 in the Federal Register.⁶ In addressing the issue of variations from the standardized *pro forma* interconnection procedures and agreement set forth in Order No. 2003, the Commission indicated that “non-independent Transmission Providers” would be permitted to propose deviations from the FERC pro-forma LGIP and LGIA only if the deviations were in response to established regional reliability standards or were “consistent with or superior to” the pro forma provisions.⁷ In contrast, the Commission stated that it would allow regional transmission organizations

³ Standardizing Generation Interconnection Agreements and Procedures, Advance Notice of Proposed Rulemaking, 66 Fed. Reg. 55,140 (November 1, 2001, FERC Stats. & Regs. ¶ 35,540 (2001).

⁴ Standardization of Generator Interconnection Agreements and Procedures, Notice of Proposed Rulemaking, 67 Fed. Reg. 22,250 (May 2, 2002), FERC Stats. & Regs. ¶ 32,560 (2002).

⁵ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, Stats. & Regs. ¶ 31,146, 68, Fed. Reg. 49,846 (August 19, 2003) (2003) (“Order No. 2003”).

⁶ Order No. 2003 at P 910.

⁷ Order No. 2003 at P 26.

("RTOs") and independent system operators "more flexibility to customize an LGIP and LGIA to meet their regional needs," in regards to both terms and conditions, and pricing policies.⁸ RTOs and independent system operators were therefore permitted to submit LGIP and LGIA terms and conditions that meet an "independent entity variation" standard that is more flexible than the "consistent with or superior to" and regional difference standards. Several entities filed requests for rehearing or clarification of Order No. 2003.

Several entities, including the Filing Parties, also filed for extensions of the Commission's original 60-day timeframe for compliance filings of the LGIA and LGIP. The Filing Parties, joined by the California Public Utilities Commission ("CPUC"), submitted their joint request for an extension on September 22, 2003. The joint request was granted by the Commission via letter order issued on September 26, 2003, which established January 20, 2004 as the revised compliance date. On January 8, 2004, the Commission issued an order in which it provided further guidance regarding the filing of the LGIA and LGIP by independent and non-independent entities.⁹ In its order, the Commission noted, *inter alia*, that where FERC *pro forma* documents were modified, current agreements and procedures for generator interconnections would continue in effect until the Commission approved the modified *pro forma* LGIA and LGIP.¹⁰

B. LGIA Filing Development Process

As described in the transmittal letter accompanying the ISO's LGIP filing, made concurrently herewith, Order No. 2003 specified that, where the transmission provider is an independent system operator or RTO that exercises operational control over transmission facilities owned by other entities, both the independent system operator/RTO and the transmission owner should have responsibilities under the LGIP and should be parties to the LGIA. Order No. 2003 did not, however, prescribe how all functions associated with processing interconnection requests and providing interconnection service should be allocated between the independent system operator/RTO -- which is the transmission provider -- and the transmission owner that is actually performing the required physical interconnection. That question was left for resolution based on the needs of each independent system operator or RTO. The Filing Parties point out that the process of allocating the functions associated with interconnection and the responsibilities under the LGIP and the LGIA among the ISO and the PTOs in accordance with the ISO Tariff, the Transmission Control Agreement, and the ISO's business practices required a significant amount of

⁸ *Id.*

⁹ "Notice Clarifying Compliance Procedures," *Standardization of Generator Interconnection Agreements and Procedures*, Docket No. RM02-1 (January 8, 2004).

¹⁰ *Id.*

time and effort on the part of the ISO and the FERC-jurisdictional PTOs that have participated actively in that process. Additionally, the vast experience of the Filing Parties that results from their collectively having interconnected several hundred generators over the years to their electric systems resulted in intense, but time-consuming, scrutiny of each and every provision of the LGIA.

The ISO's efforts to develop a final workable LGIP and LGIA with the PTOs and other stakeholders were concerted and are largely described in the January 20, 2004 LGIP filing, as well as the transmittal letter accompanying today's LGIP compliance filing. To summarize, the ISO has engaged in an exhaustive process to work with the FERC-jurisdictional PTOs to review the *pro forma* LGIP and LGIA, as originating in Order No. 2003 and modified by Order No. 2003-A, line-by-line to reconcile the LGIP and LGIA provisions with the existing structure of the ISO Tariff and the PTOs' historical interconnection procedures and agreements. The ISO and PTO working groups attempted to determine, among other things, (1) the appropriate allocation of roles and responsibilities specified by FERC as being within the province of the "Transmission Provider" in the LGIP and LGIA, (2) the minimum necessary changes to the new interconnection procedures to recognize and accommodate the historical practices in the ISO Control Area,¹¹ (3) the most reasonable means of integrating the operations provisions in the LGIA – which are applicable to new Generating Facilities – with the existing operating requirements in the ISO Tariff that are applicable to all existing Generating Units, and (4) the most appropriate reconciliation of the general terms and conditions of the LGIP and LGIA with the existing general provisions of the ISO Tariff that are applicable to all existing Generating Units. In particular, the ISO worked with the PTOs to "customize" an LGIP and LGIA to (1) specify the respective roles of the ISO and PTOs, reaching agreement where possible with the affected PTOs, (2) reflect "regional differences" in the ISO Control Area, and (3) incorporate other appropriate revisions to the FERC *pro forma* LGIP and LGIA that are justifiable under the "independent entity variation" standard as well as the "consistent with or superior to" standard, both of which are discussed below. The time spent working through issues with the PTOs regarding the LGIA resulted in the original February 9, 2004 joint LGIA filing by the ISO, PG&E, SDG&E, and SCE, as well as today's joint filing. The Filing Parties have reached consensus on nearly every issue in the LGIA.¹²

¹¹ The ISO notes that the Commission had previously approved, subject to the outcome of this proceeding, in Amendment No. 39 to the ISO Tariff, an ISO-administered interconnection process that applied to the entire ISO Controlled Grid.

¹² No Filing Party objects to any of the changes proposed to the FERC *pro forma* LGIA contained in Attachments B and C. As described in Section IV.J, where the Filing Parties could not agree on proposed changes that each viewed as necessary to ensure the justness and reasonableness of the FERC *pro forma* LGIA, the relevant provision was deleted from the document and a placeholder inserted pending resolution of the dispute by this Commission. The

C. Filing of the LGIA Pursuant to Order No. 2003

On February 9, 2004, pursuant to Order No. 2003, the Filing Parties filed with the Commission their *pro forma* LGIA. In that filing, the Filing Parties explained that the LGIA had been developed as a result of a concerted process among themselves. The Filing Parties also explained that although they had endeavored to retain the language of the *pro forma* LGIA adopted in Order No. 2003 to the extent possible, certain modifications had been made where necessary to (1) specify the respective roles of the ISO and PTOs, reaching agreement where possible, (2) reflect regional differences, (3) incorporate appropriate and justifiable variations in accordance with the “independent entity variation” standard, and/or (4) incorporate changes that are consistent with or superior to the FERC *pro forma* LGIA. The Filing Parties reflected these alterations in multiple formats. First, all changes from the language adopted in Order No. 2003 were described, along with the rationale for making these changes, in a matrix included as Attachment A to the February 9 filing. In addition, as another guide to all changes made to the original FERC *pro forma* language, the Filing Parties included black lined tariff sheets as Attachment B to the February 9 filing.

On February 11, 2004, the Commission noticed the Filing Parties’ February 9 filing, and set the due date for motions to intervene, comments, and protests to March 1, 2004. On March 1, 2004, a number of entities filed motions to intervene, comments and/or protests with respect to the joint LGIA. The ISO and SCE filed separate answers to these pleadings on March 16, 2004.

D. Order No. 2003-A and Filing of a Revised LGIA

On March 5, 2004, the Commission issued its Order on Rehearing of Order No. 2003.¹³ Therein, the Commission reaffirmed the legal and policy conclusions on which Order No. 2003 was based. However, in response to various rehearing requests, the Commission modified a number of the provisions of the *pro forma* LGIP and LGIA as set forth in Order No. 2003.

In Order No. 2003-A, the Commission continued to recognize the principle enunciated in Order No. 2003 that independent transmission providers have the flexibility to tailor the LGIP and LGIA in order to best meet their regional needs, pursuant to the “independent entity standard.”¹⁴ Therefore, the Commission

Filing Parties have provided their justifications of the proposed changes regarding which they could not reach agreement in Attachment D.

¹³ Order on Rehearing, 106 FERC ¶ 61,220 (2004) (“Order No. 2003-A”).

¹⁴ See Order No. 2003 at P 26, which states, in pertinent part: “Most importantly, we note that the Final Rule applies to independent and non-independent Transmission Providers alike, but

ordered that if an independent transmission provider elected to adopt the *pro forma* LGIP and LGIA from Order No. 2003, it would be required to file on or before the effective date of Order No. 2003-A¹⁵ either (1) a notice that it intended to adopt the Order No. 2003-A *pro forma* LGIP and LGIA, or (2) new standard interconnection procedures and agreements developed according to Order No. 2003's "independent entity variation" standard. However, the Commission stated that those independent transmission providers that filed their own tailored interconnection agreement and procedures pursuant to Order No. 2003's "independent entity variation" standard would not be required to re-file their interconnection agreement and procedures with the Commission unless a change was needed to reflect the modifications made in Order No. 2003-A.

After the issuance of Order No. 2003-A, the Filing Parties commenced an extensive collaborative effort to review that order and identify those portions of the original LGIA that should be modified pursuant to Order No. 2003-A, as well as any necessary or desirable changes to the *pro forma* language adopted in Order No. 2003-A. Through the continued dedicated efforts of staff from the ISO and the active PTOs, the Filing Parties were able to reach consensus on all of the proposed revisions to their original LGIA compliance filing.

On April 26, 2004, the Filing Parties filed with the Commission a revised LGIA pursuant to Order No. 2003-A. Consistent with the approach adopted in the Filing Parties' original LGIA compliance filing, the Filing Parties endeavored to retain the language of the *pro forma* LGIA, as revised in Order No. 2003-A, to the greatest extent possible. Indeed, most of the modifications reflected in that filing were the result of directly adopting the modifications made by the Commission in Order No. 2003-A. As with their original LGIA filing, however, certain modifications to the Order No. 2003-A language were proposed in order to (1) specify the respective roles of the ISO and PTOs, (2) reflect regional differences, or (3) incorporate variations in accordance with the "independent entity variation" standard. The Filing Parties also noted that many of the changes were consistent with or superior to the *pro forma* LGIA adopted in Order No. 2003-A and could be justified on this additional ground as well.

non-independent Transmission Providers are required to adopt the Final Rule LGIP and Final Rule LGIA into their OATTs, with deviations from the Final Rule justified using either the 'regional differences' or 'consistent with or superior to' standard. We also allow Regional Transmission Organizations (RTOs) and ISOs more flexibility to meet their regional needs. While RTOs and ISOs are required to submit compliance filings, they may submit LGIP and LGIA terms and conditions that are meet an 'independent entity variation' standard that is more flexible than the 'consistent with or superior to' standard and the regional differences standard."

¹⁵ The Commission stated that Order No. 2003-A would take effect 30 days after its publication in the Federal Register. Order No. 2003-A was published in the Federal Register on March 26, 2004.

Changes to the language of the LGIA as originally filed by the Filing Parties on February 9, 2004 were shown in the matrix included as Attachment A to the April 26 filing. Attachment A also showed any departures from the *pro forma* language adopted in Order No. 2003-A.

E. July 30 Order

In the July 30 Order, the Commission rejected in their entirety both the Filing Parties' Order No. 2003 and 2003-A LGIA filings. The Commission did not address the merits of either filing. Instead, it based its rejection solely on its conclusion that the ISO and the PTOs were not permitted to propose variations from the FERC *pro forma* LGIA using the "independent entity variation" standard because the Commission had already found that the ISO was not "independent."¹⁶ With respect to the Filing Parties' statement that many of the proposed modifications meet the "consistent with or superior to" standard, the Commission found that the Filing Parties' request was insufficient to trigger the application of that standard because the Filing Parties had not "explained with specificity which variations are 'consistent with or superior to' the *pro forma* provisions or how each variation specifically meets the standard."¹⁷ The Commission directed the ISO to submit a compliance filing within 60 days of the date of the July 30 Order adopting the FERC *pro forma* LGIA, with any proposed variations based on either the "consistent with or superior to" standard or the regional reliability variations standard. All of the Filing Parties (along with the California Public Utilities Commission ("CPUC")) have sought rehearing and/or clarification of the July 30 Order, and such requests for rehearing are still pending.

On August 30, 2004, due to the anticipated appointment of several new members to the ISO Governing Board, the ISO submitted a request for a 90-day extension of the deadline for filing the compliance filing required in the July 30 Order. On September 28, 2004, the Commission granted the ISO's request, setting January 5, 2005 as the deadline for filing the LGIP and joint LGIA required by the July 30 Order.

F. Order No. 2003-B

On December 20, 2004, the Commission issued its Order on Rehearing of Order No. 2003-A, 109 FERC ¶ 61,287 (2004) ("Order No. 2003-B"), which upheld, with certain clarifications, the fundamental determinations made in Orders 2003 and 2003-A. The Commission required all transmission operators to submit within 60 days of the date of Order No. 2003-B a compliance filing taking into account the changes described in Order No. 2003-B. The present

¹⁶ July 30 Order at P 24.

¹⁷ *Id.*

filing, however, does not address the revisions made to the *pro-forma* LGIA in Order No. 2003-B. The Filing Parties plan to make a separate compliance filing within the timeframe specified by the Commission in order to do so.

G. Request for Extension of Time for Effective Date

In a separate motion filed December 30, 2004, the Filing Parties requested that the Commission issue an order postponing the effective date of this compliance filing until after the Commission has reviewed and approved it. In the alternative, the Filing Parties requested that the Commission postpone the effective date until after the Commission has also reviewed and approved a subsequent filing in compliance with Order No. 2003-B, which was issued on December 20, 2004 (109 FERC ¶ 61,287 (2004)). The Filing Parties further requested that the Commission issue a ruling granting the requested extension prior to the date of this filing. The Filing Parties have reiterated this request in Section V below.

II. CONTENTS OF FILING

This filing comprises:

This Transmittal Letter

Attachment A	Matrix of Changes to FERC <i>Pro Forma</i> 2003-A LGIA with Justifications for Changes
Attachment B	Blackline of Joint Filing LGIA against FERC <i>Pro Forma</i> 2003-A LGIA
Attachment C	Clean Version of LGIA
Attachment D	Justifications for Alternative Articles 3.3 and 11.4
Attachment E	Notice Suitable for Publication in the Federal Register
Attachment F	Certificate of Service

III. COMMUNICATIONS

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IV. DESCRIPTION OF THE FILING

A. Structure of the Filing

As described above, the instant filing is submitted jointly by the ISO, PG&E, SDG&E, and SCE in compliance with the Commission's July 30 Order, which instructed the ISO to submit a compliance filing adopting the FERC *pro forma* LGIA within 60 days of the date of that order, and to justify any proposed variations from the FERC *pro forma* LGIA under either the "consistent with or superior to" standard or the regional reliability variations standard.

Included with the instant filing as Attachment A is a change matrix showing the changes from the Commission's *pro forma* version of the LGIA, with an explanation of why those changes are "consistent with or superior to" the Commission's *pro forma* LGIA. Variations from the FERC *pro forma* LGIA are also displayed in blacklined sheets that are included as Attachment B. A clean version of the LGIA is included as Attachment C. The justifications for the proposed changes to the FERC *pro forma* LGIA regarding which the Filing Parties could not reach agreement on are included in Attachment D.

B. Modifications to the FERC *Pro Forma* LGIA

1. Background

While the revised LGIA is a *pro forma* document, the Commission, in Order Nos. 2003 and 2003-A, provided that entities could propose modifications from the FERC *pro forma* LGIA under three possible standards: (1) a "regional differences" standard, under which non-independent entities could propose modifications in response to "established regional reliability requirements"; (2) the "consistent with or superior to" standard, which permitted entities to propose

changes that are consistent with or superior to the terms of the FERC *pro forma* LGIA; and (3) the “independent entity variations” standard, which permitted independent system operators and RTOs greater flexibility in tailoring the LGIA to meet regional needs.

In their original joint LGIA filing, and their Order No. 2003-A compliance filing, the Filing Parties noted that although they had endeavored to retain the language of the *pro forma* LGIA adopted in Order Nos. 2003 and 2003-A to the extent possible, certain modifications were necessary to (1) specify the respective roles of the ISO and PTOs, reaching agreement where possible with the active PTOs, (2) reflect regional differences, or (3) incorporate appropriate and justifiable variations in accordance with the “independent entity variation” standard. The Commission rejected this approach in the July 30 Order, concluding that the Filing Parties should not be permitted to rely on the independent entity variation standard, based on the Commission’s finding that the ISO lacked the requisite independence. However, as the Filing Parties stated in their Order No. 2003-A compliance filing, many of their proposed modifications also satisfy the “consistent with or superior to” standard, as enunciated in Order No. 2003. In the July 30 Order, the Commission rejected this rationale, stating that the Filing Parties had not “explained with specificity” which variations met the “consistent with or superior to” standard, or how each variation specifically meets that standard.

2. Request for Evaluation of this Filing under the “Independent Entity” Variation

Although the Filing Parties have structured this filing to present to the Commission the reasons why their proposed variations from the FERC *pro forma* LGIP meet the “consistent with or superior to” standard, the ISO nevertheless believes that the Commission should review these proposed variations under the “independent entity variations” standard applicable to independent system operators. As the ISO explained in its request for rehearing of the July 30 Order, under Order No. 2003, the availability of the “independent entity variation” standard is not contingent upon whether an entity proposing variations to the FERC *pro forma* LGIA meets some abstract “independence requirement,” but simply whether the entity making the filing is an independent system operator or RTO. The Commission approved the ISO as an independent system operator approximately seven years ago, and has never made any finding to the contrary. In particular, the Commission has never found that the ISO is no longer an independent system operator. The Commission’s rejection of the ISO’s filings through the introduction of a new third category -- non-independent- independent system operators -- is not only internally self-contradictory, it also constitutes an arbitrary, unjustified, and unlawful departure from Order No. 2003.

Even assuming, *arguendo*, that the Commission could reject the joint LGIA filing based on a finding that the ISO is not independent pursuant to Order No. 888, the Commission's decision in the July 30 Order is, nevertheless, invalid because the Commission has not made a proper finding, based on substantial evidence, that the ISO lacks the requisite independence. In the July 30 Order, the Commission did not undertake to explain why the ISO fails to meet the independence requirement of Order No. 888. Instead, the Commission's decision was based solely on its July 2002 Order Concerning Governance.¹⁸ However, that order was vacated by the Court of Appeals, and, as such, the Commission cannot rely on that order as a basis for finding that the ISO is not independent. If the Commission intends to find that the ISO is not independent, then the Commission must revisit the issue and identify substantial evidence demonstrating the ISO's lack of independence. The ISO submits that, at present, there is no evidence demonstrating the ISO's lack of independence in accordance with the standard set forth in Order No. 888.¹⁹ Order No. 888 required that, to meet the independence standard for an independent system operator, an independent system operator must be independent of any market participant or any one class of market participant. (Order No. 888 at 31,730.) In that regard, an independent system operator cannot be owned by any market participant, and an independent system operator and its employees cannot have any financial interest in the economic performance of any power market participant. *Id.* 31,731. The ISO's governance meets this requirement. Members of the ISO Governing Board are prohibited by statute from having direct or indirect affiliation with participants in ISO markets, thereby establishing the independence from Market Participants enunciated in Order No. 888. See Calif. Pub. Util. Code Section 337(b). Moreover, consistent with the definition of market participant set forth in Order No. 2000 and the independence principles enunciated in Order No. 888, neither the ISO nor any ISO Governing Board member has a financial interest in the economic performance of any entity that sells electricity, provides transmission service or provides Ancillary Services to the ISO. (Order No. 888 at 31,731; Order No. 2000 at 31,061-62.) The ISO's Bylaws also require that all ISO employees and ISO Governing Board members be financially independent of Market Participants. Further, in accordance with Order No. 888, the ISO has Standards of Conduct on file with the Commission reflecting the standards enunciated in Order No. 888. Thus, there is no reasonable basis for the Commission to find that the ISO does not meet the independence requirement of Order No. 888.

¹⁸ 100 FERC ¶ 61,059 (2002).

¹⁹ The ISO also notes that recently the Governor of California has made two new appointments to the ISO Governing Board. The terms of two other ISO Governing Board members expire on December 31, 2004. The Commission should fully evaluate the effect that all of the new appointments will have on the composition of the ISO Governing Board and the overall independence of the ISO.

Furthermore, denying the ISO the ability to rely on the “independent entity variation” to justify any deviation from the FERC *pro forma* LGIP serves no purpose. A primary purpose of Order No. 2003 was to prevent undue discrimination in the form of transmission providers “favoring” their own generation or affiliate-owned generation in the interconnection process. (Order No. 2003 at P 822.) That problem does not exist with regard to the ISO Controlled Grid, because the ISO does not own generation and does not have an affiliate that owns generation. Indeed, in Order No. 2003, the Commission recognized that independent system operators should be treated differently than transmission providers who own, or whose affiliates own, generation, because they do not raise the same concern regarding undue discrimination. *Id.* Thus, regardless of the Commission’s concerns regarding the ISO governance issues, the rationale for permitting use of the “independent entity variation standard” in 2003, *i.e.*, the lack of a bias toward the transmission provider’s or an affiliate’s generation, nevertheless still applies to the ISO. Stated differently, there is no logical nexus between the concerns the Commission has expressed regarding the governance of the ISO, on the one hand, and the analytically distinct subject of generator interconnections, on the other hand. Further, the Commission has not found that the ISO is not “independent” with respect to generator interconnection matters. As such, the Commission should grant deference to the ISO. There is no rational basis, nor any need, to deny the ISO the opportunity to rely on the “independent entity variation standard” under these circumstances. Accordingly, the ISO submits that the Commission should apply the “independent entity variation standard” in evaluating the ISO’s LGIP and LGIA filings.

The three PTOs likewise respectfully request that the Commission evaluate this filing pursuant to the “independent entity variations” standard. The PTOs have not taken any position on the broader governance issues addressed in the Commission’s Order Concerning Governance, which was vacated by the Court of Appeals. Regardless of the disposition of such broader governance issues, the PTOs believe the Commission should regard the ISO as independent for purposes of the generator interconnection rules under Order Nos. 2003 and 2003-A.

3. Explanation as to Why This Filing Also Complies with the “Consistent With or Superior To” Standard Under Order Nos. 2003 and 2003-A

In order to satisfy the Commission’s directive in the July 30 Order that any proposed variations from the FERC *pro forma* LGIA must meet the “consistent with or superior to” standard, and that the reasons these modifications meet that standard be explained with specificity, the Filing Parties have included, as Attachment A, a matrix of changes that reflects all of the proposed alterations to the FERC *pro forma* LGIA, and includes, for each change, an explanation of how that change is “consistent with or superior to” the Commission’s *pro forma* LGIA.

The majority of the proposed variations fall into one or more of the following categories of modifications:

Category 1 - Change made to conform language to ISO Tariff terminology.

This category consists of changes that were made in order to harmonize language between the ISO Tariff and the joint LGIA. These variations are “consistent with or superior to” the FERC *pro forma* provisions because using the same terms in ISO Tariff and the LGIA should reduce potential for conflicts and disputes. It also adds specificity and clarity to the terms that are being used in the relevant documents. The definitions of these terms have very specific meanings within the ISO Market. The Commission has endorsed this approach in *New York Independent System Operator Co.*, 108 FERC ¶ 61,159 (2004) at P 19, where the Commission allowed NYISO to modify the LGIP and LGIA to make them consistent with NYISO’s existing OATT and current NYISO practices. Although the Commission ruled there that it was allowing such changes because of the NYISO’s independence, the same rationale should apply here; that is, regardless of the Commission’s broader concerns about ISO governance issues, the Commission in prior orders has approved the ISO Tariff and all the terms therein. Therefore, in order to avoid customer confusion and the use of inconsistent terms that mean the same thing, the Commission should allow the Filing Parties to make these changes, as they are consistent with or superior to the FERC *pro forma* LGIA.

Category 2 - Change made to reflect that Transmission Owner (PTO) and Transmission Provider (ISO) are separate entities, each with particular roles in the provision of Interconnection Service.

In Order No. 2003, the Commission specifically stated that in an independent system operator where the Transmission Provider is not the Transmission Owner, the independent system operator’s compliance filing “may propose a modified interconnection agreement that provides different respective rights and obligations in the region.” (Order No. 2003 at P 909.) With regard to the ISO Controlled Grid, the ISO is the Transmission Provider, but not the Transmission Owner. Thus, the LGIA necessarily must be changed to reflect the respective roles of the ISO and the PTOs in the provision of Interconnection Service. In order to accomplish this, numerous changes were made to reflect the respective roles and responsibilities of each entity. These changes are consistent with or superior to the FERC *pro forma* LGIA.

The ISO does not have the legal authority and is not structured to perform all aspects of Interconnection Service. The PTOs are not willing to waive their FPA Section 205 rights to set terms and conditions in the first instance of those aspects of Interconnection Service that they continue to provide. It is consistent

with or superior to the Order No. 2003 standards to give the ISO a significant role in the interconnection process, rather than have a PTO perform all aspects of Interconnection Service.

Category 3 - Change made to recognize that the Transmission Provider (ISO) and the distribution service provider/Distribution System owner are two separate entities.

The FERC *pro forma* LGIA assumes that the Transmission Provider also owns and operates a Distribution System. This is not the case with regard to the ISO Controlled Grid, where the ISO's role is limited to exercising Operational Control of the transmission grid, and local distribution utilities, in turn, own and operate the Distribution System. Changes have been made to the FERC *pro forma* LGIA to recognize this business reality with regard to the ISO Controlled Grid. These changes will avoid confusion, enhance administrative efficiency, and thus are consistent with or superior to the FERC *pro forma* LGIA.

Category 4 - Change made to reflect differences between the nature of service(s) provided under *pro forma* OATT and ISO Tariff.

Numerous aspects of open access service under the FERC approved ISO Tariff are different from service under the *pro forma* OATT. For example, the services considered to be ancillary services are different. The changes made pursuant to this category are necessary to provide consistency with the FERC-approved ISO Tariff. These changes are consistent with or provide a superior alternative to the *pro forma* OATT for the Interconnection Customers, in that they eliminate confusion as to the obligations and rights of the Interconnection Customer.

Category 5 – Change made to clarify language to be more precise, reducing potential for conflicts and disputes.

The LGIA must provide the Interconnection Customer, the ISO, and the relevant PTO, with a clear description of each of its rights and obligations under the contract. By necessity, the Commission had to draft the FERC *pro forma* agreements and procedures to apply generically to all entities across the country. In several areas, the language in the FERC *pro forma* LGIA is not precise as applied to the ISO Controlled Grid, and must be expanded upon or modified in order to clarify each of the parties' respective rights and obligations. The more precise contract language provided in this filing anticipates and will help prevent disputes, and thus these changes are consistent with or superior to the FERC *pro forma* LGIA.

Category 6 - Change made to enhance or ensure reliability.

These changes are made in order to ensure that Interconnection Service on the ISO Controlled Grid will be provided in a safe and reliable manner. Without these changes, the ISO Controlled Grid would be subject to unmerited risks. The ISO has specific reliability criteria for the ISO Controlled Grid, and the individual PTOs have reliability criteria for the portion of their systems that are not part of the ISO Controlled Grid. These various criteria are designed to ensure the ability to reliably operate the transmission system. Some clarifications to the language in the LGIA are necessary to ensure compatibility with these criteria and the procedures for implementing the criteria, and other changes are required to reflect Western Electricity Coordinating Council (“WECC”) reliability criteria. Thus, these changes are consistent with or superior to the FERC *pro forma* LGIA.

Category 7 – Change made because term is not used in the LGIA.

By eliminating terms that are never used in the LGIA, customer confusion is eliminated. In contract drafting, the best practice is that an agreement should not contain a defined term that is not used in the relevant agreement. In the event a dispute were to arise, such term could be construed to have a meaning that was not intended. Thus, the elimination of such terms is plainly “consistent with or superior to” the FERC *pro forma* LGIA.

Category 8 – Change made to correct typographical errors.

Correcting typographical errors in a *pro forma* agreement is clearly “consistent with” the original intent of the FERC *pro forma* LGIA. None of these changes is altering the meaning of the FERC *pro forma* LGIA in any manner; thus, the changes are consistent with the original. Moreover, correcting typographical errors also is “superior to” entering into an agreement that contains errors which could be easily corrected. An agreement containing errors could cause confusion to the customer, and is simply bad practice. Neither the ISO nor the PTOs would sign agreements that either party knew to contain imprecise drafting and/or clear errors. The ISO and PTOs respectfully submit that that such ministerial changes are “consistent with or superior to” an LGIA that contains typographical errors.

Category 9 - Change made to reflect that the filed LGIA is a three-party agreement rather than a two-party agreement.

In Order No. 2003, the Commission specifically ordered that both the Transmission Owner and Transmission Provider “must sign the interconnection agreement when the Transmission Owner is not also the Transmission Provider.” Order No. 2003 at P 909. The Commission further noted that in an independent

system operator where the Transmission Provider is not the Transmission Owner, the independent system operator's compliance filing "may propose a modified interconnection agreement that provides different respective rights and obligations in the region." *Id.* With regard to the ISO Controlled Grid, the ISO is the Transmission Provider, but not the Transmission Owner. Thus, the LGIA necessarily must be a three-party agreement among the ISO, the relevant PTO, and the Interconnection Customer. In order to accomplish this, numerous changes were required to convert the FERC *pro forma* LGIA from a two party agreement, which is how it was structured in Order No. 2003, to a three-party agreement. Because these changes reflect the three party nature of the interconnection service provided with regard to the ISO Controlled Grid,, they are superior to the provisions of the FERC *pro forma* LGIA. Even though it departs from the literal terms of the FERC *pro forma* LGIA, moreover, a three-party LGIA also is consistent with the intent of Order No. 2003, because it gives the ISO a significant role in the interconnection process.

C. LGIA as a *Pro Forma* Agreement

With regard to the ISO Controlled Grid, an important regional difference from the Commission's *pro forma* LGIA arises from the necessity to preserve the LGIA as a document that is separate from both the ISO Tariff and each individual PTO's Transmission Owner ("TO") Tariff. Accordingly, the LGIA included in this filing (the "compliance LGIA") is not being filed as a new section of such tariffs. There are several reasons why this separation was determined to be necessary for the LGIA to be incorporated for use in California. A major factor is the three-party nature of the agreement and the FPA Section 205 rights associated with the agreement. Placing the compliance LGIA into either the ISO Tariff or the TO Tariffs would create unwarranted complexities as to what party may file for alteration of certain portions of such Tariff. The ISO, as administrator of its open access transmission tariff, seeks to retain sole Section 205 rights to the ISO Tariff, and the PTOs similarly do not want the ISO to be able to modify any section of their TO Tariffs under Section 205. Thus, it is not appropriate to include the compliance LGIA in either the ISO or TO Tariffs. Rather, in order to avoid potential future conflicts and confusion, the Filing Parties believe the best solution is to keep the LGIA as a separate agreement, apart from both the ISO and TO Tariffs. As a separate FERC-approved agreement, the agreement will remain stable, as changes to the compliance LGIA still will require Commission approval.

When an LGIA is executed for a particular Interconnection Customer, the Filing Parties propose to divide the Section 205 rights between the ISO and PTO as appropriate. See LGIA Article 30.11. This change is consistent with or superior to the FERC *pro forma* LGIA, because it reflects each participant's actual role in the provision of Interconnection Service with regard to the ISO Controlled Grid. Each customer-specific LGIA will be a Service Agreement under

both the ISO Tariff and under the TO Tariff of the PTO to whose facilities the interconnection is being made.

The Filing Parties respectfully ask that the Commission clarify their filing requirements with respect to executed customer-specific LGIAs that conform to the ultimate Commission-approved standard form of LGIA for the Filing Parties. In Order No. 2003 (at P 915), the Commission ruled that such individual filings will *not* be required. On the other hand, each executed LGIA will reflect the specific costs the Interconnection Customer is required to pay, and the Commission may wish to review the cost support for those charges. The Filing Parties request that the Commission clarify that, when a standard-form LGIA is executed (containing no material deviation from the Commission-approved *pro forma* LGIA), the filing utilities may simply submit individual rate sheets showing the specific charges applicable to the particular Interconnection Customer.

As to the compliance LGIA, the Filing Parties agree that the compliance LGIA shall not be subject to change through application to the FERC pursuant to the provisions of Section 205 of the FPA, absent the agreement of all of the Filing Parties. Thus, once the compliance LGIA is approved by the Commission, it can be modified by only the following means: 1) a joint filing by all the Filing Parties; or 2) through FPA Section 206. In short, the Filing Parties intend that neither the ISO nor the PTOs will have unilateral FPA Section 205 rights with regard to the compliance LGIA; only the Filing Parties acting as a unanimous group should have FPA Section 205 rights. It was not logical, however, to include in the compliance LGIA, the ISO Tariff, or the TO Tariff, this mutual understanding among the Filing Parties concerning the waiver of unilateral FPA Section 205 rights for the compliance LGIA. Thus, the Filing Parties simply ask the Commission either to confirm in ruling upon this filing this agreement among the Filing Parties, or to provide further guidance to the Filing Parties regarding the appropriate means to document their mutual understanding with regard to their waiver of unilateral FPA Section 205 rights.

D. Framework of the LGIA

The ISO is composed of multiple transmission owners' systems, each with its unique characteristics that can affect interconnection. Prior agreements for interconnection service have been two-party agreements between the affected PTO and the Interconnection Customer requesting service and have been tailored to the characteristics of each system. Against this backdrop, the Filing Parties have taken the latitude allowed by Order No. 2003 regarding the division of "Transmission Provider" functions between the ISO and PTOs, and revised the FERC *pro forma* LGIA to establish roles that best reflect the unique characteristics of the various systems that comprise the ISO Controlled Grid, and thus, are "consistent with or superior to" the terms of FERC's *pro forma* LGIA. To that end, the ISO is generally given an oversight role under the terms of the LGIA

that includes its role as administrator of the open access transmission tariff for the ISO Control Area, while the primary interaction under the agreement remains between the PTO and the Interconnection Customer. This division allows an affected PTO to ensure compliance with the interconnection requirements unique to its system. Examples of this are found in the additional detail that has been added to the LGIA provisions regarding interconnection design, construction, and testing under LGIA Articles 5, 6, and 24.3.

While each transmission system that comprises the ISO Controlled Grid may have its unique characteristics, the transmission facilities of the various PTOs are now administered by the ISO as one transmission system. To reflect this reality, certain provisions of the LGIA that relate to the operation of Generating Facilities, *e.g.*, LGIA Articles 7, 8, 9, and 13, have been modified where necessary to eliminate inconsistencies with the ISO Tariff. Because the ISO participates in LGIA related activities largely through the uniform, non-discriminatory procedures set out in the ISO Tariff, certain other LGIA provisions regarding Interconnection Service and refund terms have been removed from LGIA Articles 4 and 11.4 and moved into the ISO Tariff as part of the LGIP filing to ensure consistent application.

E. Definitions

The definitions contained in the LGIA are intended to stand on their own, outside of the ISO Tariff. Certain definitions have been deleted because they do not appear in the LGIA, which is superior to the incorporation of those unused defined terms in the *pro forma* LGIA. Other definitions have been modified to conform more closely to the proposed LGIP and other ISO Tariff defined terms, which is superior to the retention of similar defined terms with different definitions in the *pro forma* LGIA. Alternatively, the wording of some defined terms themselves has been modified to distinguish terms that are similar to those in the ISO Tariff or to be added in conjunction with the LGIP but that are defined somewhat differently in the LGIA, which is superior to the retention of similar defined terms that have different definitions in the *pro forma* LGIA.

i. Discussion of Selected Definitions

Interconnection Facilities

As also discussed in the LGIP filing made on this date, the use of the Commission's definition of Interconnection Facilities in the LGIA is not intended to prevent any party that is litigating, in pending FERC proceedings, the question of whether specific facilities are Interconnection Facilities or network transmission facilities, from arguing that such definition is unjust, unreasonable or otherwise inappropriate.

In several cases currently pending before the Commission, the CPUC is challenging the inclusion in ISO network transmission rates the costs of lines that are primarily used by generators but which are used or usable by other parties. The parties in such proceedings disagree as to whether such facilities are properly classified as Interconnection Facilities (generation ties) or network transmission facilities. The ISO and the FERC-jurisdictional PTOs, as well as the CPUC, understand and agree that in Order No. 2003, FERC characterized Interconnection Facilities as "sole use" facilities even though Paragraphs 749 and 750 of Order No. 2003, as well as Articles 9.9.2 and 11.6 of the LGIA, indicate that there are circumstances in which even "sole use" Interconnection Facilities may be utilized by the transmission provider or other third parties. Thus, Order No. 2003 contemplates that the ISO, a PTO or any other third party may from time to time use an Interconnection Facility, and that the generator is entitled to compensation based upon the pro rata use between the generator and any such third party utilizing the Interconnection Facility.

It is not the purpose of this compliance filing to address the question of whether any specific facility should be characterized as an Interconnection Facility or a network transmission facility that may be made part of the ISO Controlled Grid. The Filing Parties do understand, however, that this is a live issue in a number of proceedings before the Commission, and, as such, the Filing Parties wish to alert the Commission to the fact that the appropriate characterization of any specific facility is not addressed in this compliance filing.

F. Reliability as a Priority

Another important variation from the FERC *pro forma* LGIA is the inclusion of additional language regarding reliability in the LGIA. These changes are superior to the FERC *pro forma* LGIA for several reasons. For one thing, the Filing Parties are required by the WECC to ensure that generators execute the WECC's *pro forma* Reliability Management System ("RMS") Agreement. In satisfaction of that obligation, the Filing Parties have proposed to make execution of the RMS Agreement an express requirement of the Interconnection Customer in Article 9.1 of the LGIA and have proposed to append the RMS Agreement as Appendix G to the LGIA.²⁰ In addition, the Filing Parties have proposed to add to the LGIA a new Article 5.10.4, which would require the Interconnection Customer to comply with the requirements of the applicable PTO's Interconnection Handbook. There are numerous detailed technical requirements that need to be met to ensure that a new Large Generating Facility is interconnected to a PTO's Transmission System reliably, which technical requirements are set forth in the

²⁰ The Commission has already approved the proposal of several entities to include the WECC RMS as an appendix to the LGIA. *Arizona Public Service Co., et. al.*, 107 FERC ¶ 61,255 (2004) at P 28.

individual Interconnection Handbooks applicable to the different systems of each of the PTOs.²¹

G. Insurance

The LGIA filed herewith incorporates, with some modifications, the insurance requirements included in the *pro forma* LGIA. In the Filing Parties' compliance filing of February 9, 2004 PG&E stated that as of that date PG&E did not meet the creditworthiness status requirements for self-insurance. Since then PG&E has achieved the required creditworthiness status and, therefore, is no longer requesting any relief from those requirements.

H. Power System Stabilizers

In Order No. 2003-A, the Commission adopted FPL Energy's argument on rehearing that power system stabilizers, excitation systems, and automatic voltage regulators may not be appropriate for non-synchronous technologies such as wind generators, and therefore amended Article 5.4 of the FERC *pro forma* LGIA to state that the requirements of this provision do not apply to wind generators. Order No. 2003-A at P 280. The Filing Parties have incorporated this change with one modification. Specifically, the Filing Parties propose that the exemption language in Article 5.4 of the joint revised LGIA read "The requirements of this paragraph shall not apply to wind generators *of the induction type.*" The added reference to induction wind generators is superior to the terms of the FERC *pro forma* LGIA because wind generators may not always utilize non-synchronous technologies. The Commission's exemption from the requirements of Article 5.4 was clearly premised on the conclusion that these requirements were not appropriate for non-synchronous generators. Therefore, it is appropriate that the standards set forth in Article 5.4 apply to any wind generators that might employ synchronous technologies.

I. Power Factor Design Criteria

The *pro forma* LGIA adopted in Order No. 2003, Article 9.6.1, requires the Interconnection Customer to design the Generating Facility to maintain a power factor at the Point of Interconnection within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider establishes different requirements that apply to all generators in its Control Area on a comparable basis. On rehearing, FPL Energy argued that wind generators for the most part cannot maintain the power factor required in Article 9.6.1 because the necessary technology does not exist for wind generators, and that most transmission providers recognize this

²¹ In Order No. 2003-A, the Commission stated that a Transmission Provider that wishes to impose operational requirements in addition to those contained or referenced in the Applicable Reliability Council requirements would be permitted to propose and justify such requirements in its compliance filing. Order No. 2003-A at P 399.

limitation and permit wind generators to maintain a power factor of unity. In Order No. 2003-A, the Commission stated that it agreed with FPL Energy's argument, and therefore, was revising Article 9.6.1 in the *pro forma* LGIA to provide that the power factor requirements set forth therein did not apply to wind generators. Order No. 2003-A at P 406.

The Filing Parties propose two modifications to the *pro forma* language adopted in Order No. 2003-A. First, for the reasons discussed in the preceding section concerning Article 5.4, the Filing Parties maintain that it is appropriate that the exemption for wind generators in Article 9.6.1 only apply to those wind generators using non-synchronous (*i.e.* induction) technology. Second, as FPL Energy noted in its request for rehearing, most transmission providers still require that wind generators maintain a power factor of unity at the Point of Interconnection. Therefore, the Filing Parties believe that it is more consistent with good reliability practices, while at the same time appropriately recognizing the limitations noted by FPL Energy, to specify, in Article 9.6.1, that induction-type wind generators are required to maintain a power factor of unity at the Point of Interconnection, rather than exempting those units from power factor requirements altogether. For these reasons, the Filing Parties believe that these two modifications are consistent with and superior to the terms of the FERC *pro forma* LGIA.

In addition, the Filing Parties note that SCE filed a request for rehearing of Order No. 2003-A regarding this provision. SCE reaffirms its position stated in its rehearing request, and continues to believe that the Order No. 2003-A's wholesale exemption for wind generators with respect to Article 9.6.1 could affect the safety and reliability of SCE's transmission system. In Order No. 2003-B, the Commission noted that Commission staff had held a conference, in September of 2004, to discuss the technical requirements for the interconnection of wind generators and other alternative technologies, and noted that it was still evaluating the transcript of the conference and comments filed afterwards. The Commission concluded that it would continue to exempt wind generators from power factor design requirements in the LGIA until it reached a decision based on the record developed during and after the conference. If the Commission ultimately agrees with SCE's position, all of the Filing Parties agree to substitute the terms specified by the Commission on rehearing for the provisions set forth in the attached.

J. Exceptions to the Consensus Documents

As noted *supra*, despite very intense efforts, the Filing Parties have not been able to reach consensus on all of the terms and conditions of their proposed *pro forma* LGIA. The Filing Parties have thus deleted the two "disputed provisions" from Attachments B and C and replaced them with placeholders indicating that consensus among the Filing Parties was not reached. For each

disputed provision, set forth below are the proffered alternatives and an indication of which Filing Party(ies) is sponsoring which alternative. The Filing Parties have included in Attachment D a discussion of why the relevant sponsors believe that their approach comports with the just and reasonable standard of the FPA and/or why the alternative does not. The Filing Parties are requesting that the Commission decide what language would render the disputed provisions just and reasonable. The Filing Parties believe that this approach best comports with the direction provided in *Atlantic City Electric Company v. FERC*, 295 F.3d 1 (D.C. Cir. 2002), as neither the PTOs nor the ISO have voluntarily given up their "rate-filing freedoms" under FPA Section 205. Because Interconnection Service is provided with the assets of both the ISO and PTOs, both have the right to exercise FPA Section 205 rights.

LGIA Article 3.3

ISO's Recommended Provision [Supported by PG&E and SDG&E]:

3.3 Relationship Between this LGIA and the ISO Tariff. With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the ISO Tariff and dictates rights and obligations between the ISO and the Participating TO or the ISO and the Interconnection Customer, the ISO Tariff shall govern.

SCE's Recommended Provision:

3.3 Relationship Between this LGIA and the ISO Tariff. If and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent that this LGIA specifically provides that a matter shall be determined in accordance with the ISO Tariff, the applicable provisions of the ISO Tariff shall govern. If and to the extent a provision of this LGIA for which the ISO has exclusive Federal Power Act Section 205 rights pursuant to Article 30.11 hereof is inconsistent with the ISO Tariff, the ISO Tariff shall govern.

Article 11.4 (Preamble)

ISO's Recommended Provision [Supported by PG&E and SDG&E]:

11.4 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 ISO and the Participating TO to receive Firm Transmission Rights as defined in and as available under the ISO Tariff at the time of the election in accordance with the ISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 11.4.1.

SCE's Recommended Provision:

Retain FERC's original language only allowing for transmission refunds, subject to the changes agreed to by the Filing Parties, as set out in the *pro forma* LGIA filed with the Commission.

V. EFFECTIVE DATE AND INTERIM INTERCONNECTION AGREEMENT


In the July 30 Order, the Commission indicated that the effective date of this compliance filing would be the date on which it was filed with the Commission. The Filing Parties all have sought rehearing or clarification of this decision, and urge the Commission to set the effective date for the LGIP and LGIA to the date on which the Commission approves these documents, rather than the filing date. To this end, the Filing Parties, on December 30, 2004, filed with the Commission a motion requesting that the Commission issue an order postponing the effective date of this compliance filing until after the Commission has reviewed and approved it. In the alternative, the Filing Parties requested that the Commission postpone the effective date until after the Commission has also reviewed and approved a subsequent filing in compliance with Order No. 2003-B. As the ISO and PTOs explained in their requests for rehearing of the July 30 Order, and in the December 30 Motion, substantial disruption to interconnection efforts that would then be underway could result if the LGIP and LGIA filed today become immediately effective, and the Commission later orders changes to these documents. To illustrate the magnitude of this potential problem, there are, at present, 70-100 Generating Units in the interconnection queues of the active PTOs that could be adversely impacted if, after transitioning to the interconnection process provided for in the present filing, that process is then modified as a result of any changes the Commission orders to the LGIA filed herein. A similar issue arose in the Commission's acceptance of ISO Tariff Amendment No. 39, and the Commission ultimately found it necessary to reverse its original order so as to give Amendment No. 39 prospective effect.²²


²² *San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services*, 100 FERC ¶ 61,235 (2002).

VI. CONCLUSION


For the reasons set forth above, the Filing Parties respectfully request that the Commission approve the attached LGIA as a *pro forma* agreement, to be made effective as of the date of the Commission's order approving this filing.


Respectfully submitted,


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ATTACHMENT A

LGIA Matrix of Changes

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Introduction Paragraph	<p style="text-align: center;">THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (“Agreement”“LGIA”) is made and entered into this ____ day of _____ 20__, by and between <u>among</u> _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer” with a Large Generating Facility), and _____, <u>a corporation</u> organized and existing under the laws of the State/Commonwealth of _____ (“Transmission Provider and/or Transmission Owner” of California (“Participating TO”), and California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California (“ISO”). Interconnection Customer and Transmission Provider, Participating TO, and ISO each may be referred to as a “Party” or collectively as the “Parties.”</p>	<p>The deletion of “Agreement” and insertion of “LGIA” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the term “LGIA” and the abbreviated term “Agreement” are used interchangeably in the pro forma. It is superior to use just one term or the other rather than both because using both could lead to confusion or even misinterpretation of the LGIA.</p> <p>The deletion of “between” and insertion of “among” is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the LGIA is a three-party agreement and therefore is superior for California, in which the ISO exercises Operational Control over the transmission system (ISO Controlled Grid).</p> <p>The Insertion of “a corporation”, the deletion of “Transmission Provider and/or Transmission Owner” and the insertion of “California (“Participating TO”), and California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State of California (“ISO” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more precisely describes the parties to this LGIA.</p> <p>The deletion of “and Transmission Provider” and insertion of “Participating TO, and ISO” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more precisely describes the parties to this LGIA.</p>
Recital #1	<p>WHEREAS, ISO exercises Operational Control over the ISO Controlled Grid; and</p>	<p>The insertion of “WHEREAS, ISO exercises Operational Control over the ISO Controlled Grid; and” is a Category 2 Change. This change is consistent with or superior to the pro forma LGIA because it properly describes the role of the ISO as the entity that exercises Operational Control over the ISO Controlled Grid rather than the Participating TO. The defined phrase “exercises Operational Control” was used instead of the commonplace term “operates” because the defined term Operational Control has a precise contractual meaning whereas the term “operates” can be left up to interpretation. The term “ISO Controlled Grid” was used because it properly describes the transmission facilities over which the ISO exercises Operational Control.</p>
Recital #2	<p>WHEREAS, Transmission Provider the Participating TO owns, operates, and maintains the Participating TO’s Transmission System; and</p>	<p>The Insertion of “WHEREAS, the Participating TO owns, operates, and maintains the Participating TO’s Transmission System; and ” is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the Participating TO’s role as a transmission owner. A separate description each of the three Parties is necessary because this is a three-party agreement. The original recitals did not reflect the three-party nature of this LGIA.</p>
Recital #3	<p>WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this AgreementLGIA; and,</p>	<p>The deletion of “Agreement” and insertion of “LGIA” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the term “LGIA” and the abbreviated term “Agreement” are used interchangeably in the pro forma. It is superior to use just one term or the other rather than both because using both could lead to confusion or even misinterpretation of the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Recital #4	<p>WHEREAS, Interconnection Customer, <u>Participating TO</u>, and Transmission Provider<u>ISO</u> have agreed to enter into this Agreement<u>LGIA</u> for the purpose of interconnecting the Large Generating Facility with the <u>Participating TO's</u> Transmission System;</p>	<p>The deletion of "Transmission Provider" and insertion of "Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that this LGIA is a three-party agreement, thereby accurately describing the parties to this LGIA.</p> <p>The deletion of "Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the term "LGIA" and the abbreviated term "Agreement" are used interchangeably in the pro forma. It is superior to use just one term or the other rather than both because using both could lead to confusion or even misinterpretation of the LGIA.</p> <p>The Insertion of "Participating TO's" is both a Category 5 change and Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes which of the parties to this LGIA is the owner of the transmission system to which the Interconnection Customer is interconnecting, and distinguishes that system from the more inclusive ISO Controlled Grid.</p>
Recital #5	<p>NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:</p> <p>When used in this Standard Large Generator Interconnection Agreement<u>LGIA</u>, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (OATT).</p>	<p>The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.</p>
Article 1. Definitions	<p>Affected System shall mean an electric system other than the Transmission Provider's Transmission System<u>ISO Controlled Grid</u> that may be affected by the proposed interconnection, <u>including the Participating TO's electric system that is not part of the ISO Controlled Grid</u>.</p>	<p>The deletion of "Transmission Provider's Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the ISO Controlled Grid is an accurate description of the electric system over which the ISO exercises Operational Control. Therefore, any electric system outside of the ISO Controlled Grid, would be an Affected system. This is more accurate and therefore superior to than the Term "Transmission Provider's Transmission System" because both the Participating TO and the ISO have various roles as the Transmission Provider. Furthermore, the ISO as a transmission provider exercises Operational Control over the Participating TO's Transmission System, which is part of the ISO Controlled Grid. Because of these various ambiguities in the term "Transmission Provider's Transmission System", the precise term ISO Controlled Grid is superior.</p> <p>The Insertion of ", including the Participating TO's electric system that is not part of the ISO Controlled Grid" is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that a generator interconnection will probably have an effect on the Participating TO's distribution system as well, and recognizes that fact that the ISO does not have operational control over the Participating TO's distribution system.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Affected System Operator shall mean the entity that operates an Affected System.	The deletion of the definition for Affected System Operator is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term was deleted in the instances in which it appeared in the LGIA for the justifications given for those Articles (11.4.1 and 11.4.2). It is superior to delete this term because leaving it in the definitions section while it does not occur in the body of the agreement may lead to confusion over the Interconnection Customer's duties under this LGIA to interact with owners of Affected Systems.
Article 1. Definitions	Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.	The deletion of the definition for "Ancillary Services" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because each instance of this term was deleted, and thus, category 7 applies. Each instance of the term "Ancillary Services" occurred in Article 4.1.2.2, which was deleted (see justification for deletion of Article 4.1.2.2).
Article 1. Definitions	Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected. <u>Western Electricity Coordinating Council or its successor.</u>	The deletion of "reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected" and insertion of "Western Electricity Coordinating Council or its successor." is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the reliability council of California so as to remove any ambiguity that could lead to confusion or a misinterpretation of the intent of the provisions of this LGIA.
Article 1. Definitions	Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the <u>Participating TO's</u> Transmission System to which the Generating Facility is directly interconnected.	The Insertion of "Participating TO's" is both a Category 5 and Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting, and describes that the Participating TO's Transmission System is a subsystem of a larger Control Area.
Article 1. Definitions	Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.	The deletion of "by the Transmission Provider or Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that the Interconnection Studies may not be performed by the transmission provider or the Interconnection Customer, but still be valid interconnection studies under the LGIP.
Article 1. Definitions	Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.
Article 1. Definitions	Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Business Day shall mean Monday through Friday, excluding Federal Holidays <u>federal holidays and the day after Thanksgiving Day.</u>	The deletion of "Federal Holidays" and insertion of "federal holidays and the day after Thanksgiving" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the term "Federal Holiday" is not a defined term in the LGIA, and its capitalization could lead to confusion. The insertion of "and the day after Thanksgiving Day" more accurately describes the available Business Days of the ISO. Making it clear what days are unavailable to the ISO as business days makes it so that all of the parties to this LGIA are clear on what days to count when establishing deadlines and schedules.
Article 1. Definitions	Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday <u>federal holiday.</u>	The change of "Federal Holiday" to "federal holiday" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because the term "Federal Holiday" is not a defined term in the LGIA, and its capitalization could lead to confusion.
Article 1. Definitions	Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.	The deletion of the definition for "Clustering" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Clustering" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Clustering" from this LGIA.
Article 1. Definitions	Commercial Operation shall mean the status of <u>an Electric Generating Unit at</u> a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.	The Insertion of "an Electric Generating Unit at" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the interconnection by recognizing the fact that multiple units may coexist at one interconnection site. In the case that multiple units are built at the same sight but achieve commercial operation at different times, having an imprecise definition could lead to confusion and even misinterpretation of the LGIA.
Article 1. Definitions	Commercial Operation Date of a unit <u>an Electric Generating Unit</u> shall mean the date on which the <u>Electric Generating Unit at the</u> Generating Facility commences Commercial Operation as agreed to by the Parties <u>applicable Participating TO and the Interconnection Customer</u> pursuant to Appendix E to the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	<p>The deletion of "a unit" and insertion of "an Electric Generating Unit" is both a Category 1 and Category 5 change. This change is consistent with or superior to the pro forma LGIA because it uses a precise definition "Electric Generating Unit" (see definition and justification below) rather than an ambiguous and undefined term.</p> <p>The Insertion of "an Electric Generating Unit at" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it more precisely accurately describes the interconnection by recognizing the fact that multiple units may coexist at one interconnection site and could have different Commercial Operation Dates.</p> <p>The deletion of "Parties" and insertion of "applicable Participating TO and the Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes the roles of the Parties rather than leaving the roles ambiguous, which could lead to a misinterpretation of roles and responsibilities to this three-party agreement.</p> <p>The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise, <u>subject to Article 22.1.2.</u>	The Insertion of “, subject to Article 22.1.2” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because Article 22.1.2 fully describes the confidentiality provisions. This addition makes certain that the more fully fleshed out confidentiality provisions are relied upon under this agreement. Without this reference, should a conflict arise between this definition and the provisions of Article 22.1.2, multiple, equally viable interpretations could be made. Therefore it is superior to have the definition and the provisions work together instead of creating conflict with one another.
Article 1. Definitions	Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	The deletion of “the Standard Large Generator Interconnection Agreement” and insertion of “this LGIA” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.
Article 1. Definitions	Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.	The deletion of the definition for “Dispute Resolution” is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because the dispute resolution provisions are contained and well articulated within the body of this LGIA. This abbreviated definition of dispute resolution could only lead to ambiguity and misinterpretation of this LGIA.
Article 1. Definitions	Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas <u>those non-ISO-controlled transmission and distribution facilities owned by the Participating TO.</u>	The deletion of “the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas” and insertion of “those non-ISO-controlled transmission and distribution facilities owned by the Participating TO” is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because this concise definition is more accurate and eliminates ambiguity. The pro forma definition uses examples and vague language to describe a distribution system. However, using examples without being completely exhaustive is imprecise and could lead to confusion or loopholes. The deductive definition is far more precise without having to be exhaustive and is therefore superior.
Article 1. Definitions	Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce <u>Participating TO's Distribution System.</u> Distribution Upgrades do not include Interconnection Facilities.	The deletion of “Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce” and insertion of “Participating TO's Distribution System” is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because it uses the precise definition of “Distribution System”, which eliminates ambiguity. It is inaccurate to limit this definition to wholesale sale of electricity in interstate commerce, because that ignores many wholesale transactions in California. The broader description, which uses the precise definition of Distribution System, more accurately describes the nature of Distribution Upgrades and is therefore superior.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<p>Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement <u>this LGIA</u> becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.</p>	<p>The deletion of "the Standard Large Generator Interconnection Agreement" and insertion of "this LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.</p>
Article 1. Definitions	<p>Electric Generating Unit shall mean an <u>individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.</u></p>	<p>The Insertion of the term "Electric Generating Unit" is both a Category 5 and a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the interconnection by recognizing the fact that multiple units may coexist at one interconnection site and could achieve commercial operation on different schedules. The change, which allows for a distinction between multiple Electric Generating Units on the same site, is also necessary for reliability reasons. Testing for Electric Generating Units at a site must be done on a unit by unit basis, thus the distinction is necessary and superior.</p>
Article 1. Definitions	<p>Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider <u>the ISO</u>, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities, the ISO Controlled Grid or the electric systems of others to which the Transmission Provider's Transmission System <u>ISO Controlled Grid</u> is directly connected; or (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement <u>this LGIA</u> to possess black start capability.</p>	<p>The deletion of "a Transmission Provider" and insertion of "The ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes the role of the ISO as the transmission provider in this context. Each Party to this LGIA has conditions associated with it, (ISO, Participating TO and Interconnection Customer). Therefore extra language was needed in this section to recognize the three-party nature of this LGIA.</p> <p>The deletion of "Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities" and insertion of "the ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes, using a precise definition, the facilities to which an emergency condition may apply.</p> <p>The deletion of "Transmission Provider's Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the precise definition of ISO Controlled Grid is used to separate out the different systems. This more accurately describes the infrastructure of the electric systems in California.</p> <p>The Insertion of "the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it acknowledges that this is a three-party agreement and that the transmission owner and transmission provider are separate entities.</p> <p>The deletion of "the Standard Large Generator Interconnection Agreement" and insertion of "this LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.	The deletion of the definition for "Energy Resource Interconnection Service" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately reflects the services available under the FERC accepted and approved ISO Tariff, which governs interconnection and transmission service in California.
Article 1. Definitions	Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.	The deletion of the definition for "Engineering & Procurement (E&P) Agreement" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Engineering & Procurement (E&P) Agreement" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Engineering & Procurement (E&P) Agreement" from this LGIA.
Article 1. Definitions	FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.	The deletion of the definition for "(Commission)" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it is unnecessary to have two abbreviations for the Federal Energy Regulatory Commission, and having two abbreviations for the same term could cause confusion and even misinterpretation of the provisions of this LGIA.
Article 1. Definitions	Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other caused cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.	The deletion of "caused" and insertion of "cause" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because the word "caused" is the wrong part of speech, and could lead to confusion or even misinterpretation of this LGIA.
Article 1. Definitions	Generating Facility shall mean <u>the Interconnection Customer's device Electric Generating Unit(s) used</u> for the production of electricity identified in the Interconnection <u>Customer's Interconnection</u> Request, but shall not include the Interconnection Customer's Interconnection Facilities.	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "device" and insertion of "Electric Generating Unit(s) used" is both a Category 1 and Category 5 change. This change is consistent with or superior to the pro forma LGIA because it uses a precise definition "Electric Generating Unit" (see definition and justification above) to eliminate ambiguity. The insertion of "Customer's Interconnection" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that the Participating TOs and ISO receive many interconnection requests, and specifying to whose interconnection request this definition is referring using a precisely defined term eliminates all ambiguity that may arise.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.	The deletion of the definition for “Generating Facility Capacity” is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term was deleted in the two other instances of its use (the definition of “Large Generating Facility” and “Small Generating Facility”. See the justification for changes of those definitions.
Article 1. Definitions	Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric <u>utility</u> industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to any one of a number of the optimum practice, method practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.	<p>The Insertion of “utility” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it more precisely defines the industry and eliminates any ambiguity, as there may be other types of electric industries, which could lead to confusion or even misinterpretation of this LGIA.</p> <p>The deletion of “limited to” and insertion of “any one of a number of” is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it aligns the definition of “Good Utility Practice” with the FERC approved ISO Tariff definition of “Good Utility Practice” while not changing the substance of the definition. This eliminates any ambiguity or possibility of conflict between this LGIA and the ISO Tariff.</p> <p>The deletion of “practice, method” and insertion of “practices, methods” is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it aligns the definition of “Good Utility Practice” with the FERC approved ISO Tariff definition of “Good Utility Practice” while not changing the substance of the definition. This eliminates any ambiguity or possibility of conflict between this LGIA and the ISO Tariff.</p> <p>The deletion of “act” and insertion of “acts” is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it aligns the definition of “Good Utility Practice” with the FERC approved ISO Tariff definition of “Good Utility Practice” while not changing the substance of the definition. This eliminates any ambiguity or possibility of conflict between this LGIA and the ISO Tariff.</p>
Article 1. Definitions	Governmental Authority shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, Transmission Provider , <u>ISO, Participating TO</u> , or any Affiliate thereof.	<p>The insertion of the word “the” is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of “Transmission Provider” and insertion of “ISO, Participating TO” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately who the transmission providers are in the context of a three-party agreement, and recognizes that both the ISO and Participating TO play various roles as transmission providers.</p>
Article 1. Definitions	Initial Synchronization Date shall mean the date upon which the an Electric Generating Facility <u>Unit</u> is initially synchronized and upon which Trial Operation begins.	The deletion of “the Generating Facility” and insertion of “an Electric Generating Unit” is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it more precisely accurately describes the interconnection by recognizing the fact that multiple units may coexist at one interconnection site, and must be individually synchronized, and may have different synchronization dates.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider <u>Participating TO's</u> Interconnection Facilities to obtain back feed power.	The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO is the "Transmission Provider" that will be responsible for negotiating with the Interconnection Customer concerning the Option to Build. Moreover, the Interconnection Facilities in question are the Participating TO's Interconnection Facilities, not the ISO's; thus, this change is necessary to avoid any confusion.
Article 1. Definitions	Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.	The deletion of the definition for "Interconnection Customer" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because "Interconnection Customer" is defined in the recitals of this LGIA and therefore a second definition would only lead to confusion and even misinterpretation of this LGIA. Furthermore, the pro forma definition of "Interconnection Customer" refers to "any entity", whereas, as it is used in the LGIA "Interconnection Customer" is a specific Party to this LGIA and is defined as such in the recitals to this LGIA.
Article 1. Definitions	Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement <u>this LGIA</u> , that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider <u>Participating TO's</u> Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.	The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement. The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.
Article 1. Definitions	Interconnection Facilities shall mean the Transmission Provider <u>Participating TO's</u> Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider <u>Participating TO's</u> Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.	The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO is the "Transmission Provider" that will be responsible for negotiating with the Interconnection Customer concerning the Option to Build. Moreover, the Interconnection Facilities in question are the Participating TO's Interconnection Facilities, not the ISO's; thus, this change is necessary to avoid any confusion. The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
<p>Article 1. Definitions</p>	<p>Interconnection Facilities Study shall mean at the study conducted by the Transmission Provider <u>Participating TO, the ISO,</u> or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider <u>Participating TO's</u> Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.</p>	<p>The deletion of "a" and insertion of "the" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it specifically refers to a specific study that should have been performed by the time the LGIA is in effect, pursuant to the LGIP, thereby eliminating ambiguity.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO, the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately the role of the Participating TO as the transmission provider in the context of this three-party agreement, and recognizes that in this case the Participating TO or the ISO can fulfill this role as a transmission provider.</p> <p>The deletion of "as identified in the Interconnection System Impact Study" and insertion of ", and Distribution Upgrades" is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because it eliminates any ambiguity that may be caused by the qualification of the term "Network Upgrades" to be limited to only those Network Upgrades that are identified in the Interconnection System Impact Study. This change allows for a more precise definition of the facilities that may be required by the Interconnection Facilities Study.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.</p> <p>The deletion of "The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it refers to a different document (the LGIP), which may be amended. The scope of the actual Interconnection Facilities Study performed for the Interconnection Customer would be set forth in the Interconnection Facilities Study Agreement executed by the Participating TO and the Interconnection Customer. Deleting this sentence is therefore superior to the pro forma LGIA because it eliminates any potential confusion that could arise from such an amendment.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<p>Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures <u>Customer and the Participating TO or the ISO</u> for conducting the Interconnection Facilities Study.</p>	<p>The deletion of "form of" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it refers to a specific study agreement that should have been executed according to the LGIP rather than referring to a form of an agreement. The pro forma definition makes sense in the context and timeline of the LGIP, but as used in the LGIA, a reference to the specific study is necessary and therefore superior.</p> <p>The deletion of "contained in Appendix 4 of the Standard Large Generator Interconnection Procedures" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it refers to a different document (the LGIP), which may be amended. An amendment to the LGIP could render this sentence useless or possibly allow for an interpretation of this LGIA that was never intended. It is superior to eliminate this reference to eliminate any future confusion that could arise from such an amendment.</p> <p>The insertion of "between the Interconnection Customer and the Participating TO or ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that the transmission provider and transmission owner are different parties in this three-party agreement.</p>
Article 1. Definitions	<p>Interconnection Feasibility Study shall mean the preliminary evaluation conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures <u>Participating TO's Transmission System, and if reasonably practicable, an informational assessment, as needed, of other affected owners' portions of the ISO Controlled Grid.</u></p>	<p>The deletion of "a" and insertion of "the" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it specifically refers to parties to this LGIA, thereby eliminating ambiguity.</p> <p>The insertion of "conducted by the Participating TO, ISO or a third party consultant for the Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately the role of the Participating TO as the transmission provider in the context of this three-party agreement.</p> <p>The deletion of "Transmission Provider's Transmission System," and insertion of "Participating TO's Transmission System" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting.</p> <p>The deletion of "the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it refers to a different document (the LGIP), which may be amended. The scope of the actual Interconnection Feasibility Study performed for the Interconnection Customer would be set forth in the Interconnection Feasibility Study Agreement executed by the Participating TO and the Interconnection Customer. Deleting this sentence is therefore superior to the pro forma LGIA because it eliminates any potential confusion that could arise from such an amendment.</p> <p>The insertion of "and, if reasonably practicable, an informational assessment, as needed, of the other affected owners' portions of the ISO Controlled Grid." is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more accurately clarifies the scope of the study.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.	The deletion of the definition for “Interconnection Feasibility Study Agreement” is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term “Interconnection Feasibility Study Agreement” does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term “Interconnection Feasibility Study Agreement” from this LGIA.
Article 1. Definitions	<u>Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO’s web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO’s portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO’s standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO’s Interconnection Handbook, the terms in this LGIA shall apply.</u>	The insertion of “Interconnection Handbook” is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that for each Participating TO’s transmission system, there is an Interconnection Handbook, which contains criteria necessary for reliable and safe interconnection to that Participating TO’s Transmission System. The Commission accepted a reference to Interconnection Guidelines in Xcel Energy Operating Cos., 107 FERC ¶ 61,313, PP 30-31.
Article 1. Definitions	Interconnection Request shall mean an Interconnection Customer’s request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the ISO Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider’s Transmission System.	<p>The deletion of “an Interconnection Customer’s” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the context in which an Interconnection Request is used in this agreement can apply to any request, not just by the Interconnection Customer that is a party to this LGIA.</p> <p>The insertion of “ISO” is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it specifies which tariff contains the interconnection procedures, thereby eliminating any ambiguity and confusion that may arise.</p> <p>The deletion of “, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider’s Transmission System” is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because a more specific and precise definition of this term was appended to the ISO Tariff Master Definitions List. It is superior to rely on a reference to the ISO Master Definitions list because the ISO Tariff governs Interconnection Requests, and where it appears in the LGIA it is merely a reference to an Interconnection Request that has been made through the ISO Tariff Large Generator Interconnection Procedures (LGIP).</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<p>Interconnection Service shall mean the service provided by the Transmission Provider <u>Participating TO and ISO</u> associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider <u>Participating TO's</u> Transmission System and enabling the ISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's <u>this LGIA, the Participating TO's Transmission Owner Tariff, and the ISO Tariff.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the roles of the ISO and Participating TO as transmission providers in the context of this three-party agreement.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.</p> <p>The deletion of "it" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the energy from the generator is available to the entire ISO Controlled Grid rather than just the Participating TO's Transmission System despite the fact that the Interconnection Customer is interconnecting to the Participating TO's Transmission System.</p> <p>The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.</p> <p>The insertion of "the Participating TO's Transmission Owner Tariff, and the ISO" is both a category 2 and Category 4 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that provisions from both the Participating TO's Transmission Owner Tariff and the ISO Tariff govern interconnection service, and that both the Participating TO and the ISO have roles as the transmission provider in the context of this three-party agreement. It is superior to include the reference to both tariffs because it informs the Interconnection Customer of its responsibilities under both tariffs.</p>
Article 1. Definitions	<p>Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in <u>performed by the Participating TO, the ISO, or a third party consultant for the Interconnection Customer pursuant to</u> the Standard Large Generator Interconnection Procedures.</p>	<p>The deletion of "described in" and insertion of "performed by the Participating TO, the ISO or a third party consultant for the Interconnection Customer pursuant to" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more precisely describes which entities can perform the Interconnection Study while maintaining the reference to the LGIP.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Interconnection System Impact Study shall mean an <u>the engineering study conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer</u> that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider <u>the Participating TO's</u> Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.	<p>The deletion of "an" and insertion of "the" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifically refers to parties to this LGIA, thereby eliminating ambiguity.</p> <p>The insertion of "conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately the role of the Participating TO as the transmission provider in the context of this three-party agreement.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.</p>
Article 1. Definitions	Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.	The deletion of the definition for "Interconnection System Impact Study Agreement" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Interconnection System Impact Study Agreement" does appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Interconnection System Impact Study Agreement" from this LGIA.
Article 1. Definitions	ISO Controlled Grid shall mean <u>the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the ISO's Operational Control.</u>	The insertion of "ISO Controlled Grid" is both a Category 1 and Category 5 change. This change is consistent with or superior to the pro forma LGIA because this term is a more precise term describing the entire transmission system and allows for a distinction to be made between the ISO Controlled Grid and the Participating TO's transmission system. This distinction allows for the roles and responsibilities of the ISO and Participating TO as transmission provider and transmission owner to be more precisely described so as to eliminate ambiguity.
Article 1. Definitions	Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.	This definition is deleted as unnecessary because there need not be a Joint Operating Committee in the context of the ISO. This is a Category 4 change because the duties and functions of the Joint Operating Committee are existing provisions of the ISO Tariff. Thus, the deletion of this definition and Article 29 removes any ambiguity regarding the obligations and rights of the Interconnection Customer.
Article 1. Definitions	ISO Tariff shall mean <u>the ISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.</u>	The insertion of "ISO Tariff" is both a Category 1 and Category 5 change. This change is consistent with or superior to the pro forma LGIA because it more precisely describes the term Tariff as it is used in the original pro forma LGIA, so as to eliminate ambiguity as to which tariff governs the operation of the ISO Controlled Grid.
Article 1. Definitions	Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.	The deletion of "having a Generating Facility Capacity of more than 20 MW" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because this is a temporary measure which will allow a consistent interconnection process to occur until such time a there is a FERC-approved and effective pro forma Small Generator Interconnection Agreement.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.	The insertion of "damages, ... and claims, including claims and actions" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it adds some precise language rather than defining "Loss" solely with the word "losses" and is consistent with Article 18.1.. The deletion of ", arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because this language exists in what is currently Article 18.1 as it may be amended, and as this agreement may be amended it will be more difficult to keep track of provisions like this and may lead to future confusion.
Article 1. Definitions	Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request <u>or any other valid interconnection request</u> with a later queue priority date.	The insertion of "or any other valid interconnection request" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it acknowledges that other types of interconnection request (such as requests to interconnect to a Distribution System) may be affected by modifications.
Article 1. Definitions	Metering Equipment shall mean all metering equipment installed or to be installed at <u>for measuring the output of</u> the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement <u>this LGIA</u> at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.	The deletion of "at" and insertion of "for measuring the output of" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it describes specifically the function of the Metering Equipment eliminating ambiguity that may arise out of the fact that many different types of meters may exist at metering points that are not for the purpose of measuring the output of the Generating Facility. The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.
Article 1. Definitions	Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.	The deletion of the definition for "Network Resource" is both a Category 7 change and a Category 4 Change. This change is consistent with or superior to the pro forma LGIA because it more accurately reflects the services available under the FERC-accepted and approved ISO Tariff, which governs interconnection and transmission service in California.
Article 1. Definitions	Network Upgrades shall be <u>Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.</u>	The insertion of "Network Upgrades" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it offers an efficient way of referring to all upgrades to the transmission system without ambiguity.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<p>Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large-Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as all other Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.</p>	<p>The deletion of the definition for "Network Resource Interconnection Service" is both a Category 7 change and a Category 4 Change. This change is consistent with or superior to the pro forma LGIA because it more accurately reflects the services available under the FERC-accepted and approved ISO Tariff, which governs interconnection and transmission service in California.</p>
Article 1. Definitions	<p><u>Operational Control shall mean the rights of the ISO under the Transmission Control Agreement and the ISO 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.</u></p>	<p>The insertion of "Operational Control" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the term occurs many times in the agreement (recitals, definitions for ISO Controlled Grid and Participating TO's Transmission System, Articles 5.2, 5.10.1, 5.10.2 and 5.11) and a sufficient and consistent definition was needed to specify any rights or obligations of the Parties under this LGIA.</p>
Article 1. Definitions	<p><u>Participating TO's Delivery Network Upgrades</u> shall mean the additions, modifications, and upgrades to the <u>Participating TO's</u> Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large-Generating Facility to the Transmission Provider's Transmission System. <u>Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the ISO Controlled Grid.</u></p>	<p>The insertion of "Participating TO's Delivery" is a Category 1, Category 2 and Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the Participating TO's role as the transmission owner in the context of this three-party agreement. The term "Delivery Network Upgrades" is a defined term in the ISO Tariff Master Definitions Supplement, and characterizes the available services under the ISO Tariff. It is superior to modify the term to conform with the ISO Tariff Master Definition Supplement Term so that the Interconnection Services available under this LGIA work with the available services under the FERC-accepted and approved ISO Tariff.</p> <p>The deletion of "Transmission Provider's" and insertion of "Participating TO's" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.</p> <p>The deletion of "required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System " and insertion of "at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the ISO Controlled Grid" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it describes the Network Upgrades in a manner that is consistent with the services available under the ISO Tariff.</p>
Article 1. Definitions	<p>Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.</p>	<p>The deletion of the definition for "Notice of Dispute" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term is accurately defined in Article 27.1. This abbreviated description of the term "Notice of Dispute" could lead to confusion and even misinterpretation of this LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<u>Participating TO's Interconnection Facilities</u> shall mean all facilities and equipment owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this LGIA, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.	The insertion of "Participating TO's Interconnection Facilities" is both a Category 5 and Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the Participating TO's role as the transmission owner in the context of this three-party agreement. It specifies that the Participating TO, not the ISO, will own, in the role of the transmission owner, the Participating TO's Interconnection Facilities.
Article 1. Definitions	Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.	The deletion of the definition for "Optional Interconnection Study" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Optional Interconnection Study" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Optional Interconnection Study" from this LGIA.
Article 1. Definitions	<u>Participating TO's Reliability Network Upgrades</u> shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.	The insertion of "Participating TO's Reliability Network Upgrades" is both a Category 1 and Category 4 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes the Network Upgrades in a manner that is consistent with the services available under the ISO Tariff. Offering the Interconnection Customer a variety of upgrade choices is consistent with the pro forma's variety of upgrade choices.
Article 1. Definitions	Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.	The deletion of the definition for "Optional Interconnection Study Agreement" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Optional Interconnection Study Agreement" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Optional Interconnection Study Agreement" from this LGIA.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	<u>Participating TO's Transmission System shall mean the facilities owned and operated by the Participating TO and that have been placed under the ISO's Operational Control, which facilities form part of the ISO Controlled Grid.</u>	The insertion of "Participating TO's Transmission System" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement.
Article 1. Definitions	Party or Parties shall mean the Transmission Provider, Transmission Owner <u>Participating TO, ISO, Interconnection Customer or any the applicable</u> combination of the above.	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider, Transmission Owner" and insertion of "Participating TO, ISO" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the parties to this LGIA in the context of a three-party agreement. The deletion of "any" and insertion of "the applicable" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the parties to this LGIA in the context of a three-party agreement.
Article 1. Definitions	Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement <u>this LGIA</u> , where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider <u>Participating TO's</u> Interconnection Facilities.	The deletion of "the Standard Large Generator Interconnection Agreement" and insertion of "this LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement. The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately the role of the Participating TO as the transmission provider and transmission owner in the context of this three-party agreement.
Article 1. Definitions	Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement <u>this LGIA</u> , where the Interconnection Facilities connect to the Transmission Provider <u>Participating TO's</u> Transmission System.	The deletion of "the Standard Large Generator Interconnection Agreement" and insertion of "this LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement. The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting.
Article 1. Definitions	Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.	The deletion of the definition for "Queue Position" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Queue Position" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Queue Position" from this LGIA.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement <u>this LGIA</u> , 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.	The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.
Article 1. Definitions	Scoping Meeting shall mean the meeting between <u>among</u> representatives of the Interconnection Customer, the Participating TO, and Transmission Provider <u>the ISO</u> conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.	The deletion of "between" and insertion of "among" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the LGIA is a three-party agreement and therefore is superior for California. The deletion of "Transmission Provider" and insertion of "the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes the ISO in its role as the transmission provider in the context of this three-party agreement.
Article 1. Definitions	Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.	The deletion of the definition for "Site Control" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because it does not appear in the pro forma LGIA. The same set of definitions appears in the pro forma LGIP and the pro forma LGIA. The term "Site Control" does appear in the LGIP. However, having defined terms that do not appear in the body of an agreement can lead to confusion and even misinterpretation of that agreement. So it is superior to delete the term "Site Control" from this LGIA.
Article 1. Definitions	Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.	The deletion of the definition for "Small Generating Facility" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term is simply not used in this LGIA.
Article 1. Definitions	Stand Alone Network Upgrades shall mean Network Upgrades that an <u>the</u> Interconnection Customer may construct without affecting day-to-day operations of the Transmission System <u>ISO Controlled Grid or Affected Systems</u> during their construction. Both the Transmission Provider <u>The Participating TO, the ISO,</u> and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. <u>this LGIA.</u>	The deletion of "an" and insertion of "the" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it specifically refers to parties to this LGIA, thereby eliminating ambiguity. The deletion of "Transmission System" and insertion of "ISO Controlled Grid or Affected Systems" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes all of the systems that may be affected by Stand Alone Network Upgrades using precisely defined terms. The deletion of "Standard Large Generator Interconnection Agreement" and insertion of "LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it separates this LGIA as a unique agreement as opposed to the Standard LGIA, which is a form of an agreement. The agreement gets its uniqueness by virtue of the description of the facilities and other choices afforded the Interconnection Customer in the form of agreement.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff	The deletion of the definition for "Standard Large Generator Interconnection Agreement (LGIA)" is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term as it was used in the LGIA refers to this agreement rather than a form of interconnection agreement. The abbreviated term "LGIA" is defined in the recitals, and has replaced every instance of the pro forma term "Standard Large Generator Interconnection Agreement (LGIA)".
Article 1. Definitions	Standard Large Generator Interconnection Procedures (LGIP) shall mean the <u>ISO protocol that sets forth the</u> interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are <u>is</u> included in the Transmission Provider's <u>ISO</u> Tariff.	The insertion of "ISO protocol that sets forth the" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the LGIP, linking it to the ISO Tariff Protocols, eliminating any ambiguity that may arise from a less precise description and pointing to the ISO Tariff for reference. The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it refers to the precise defined term that replaced the term "Tariff" (see definition and justification for the term "ISO Tariff").
Article 1. Definitions	System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect that protects (1) the Transmission Provider's <u>Participating TO's</u> Transmission System, <u>Participating TO's Interconnection Facilities, ISO Controlled Grid, and Affected Systems</u> from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System <u>ISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems</u> or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System <u>ISO Controlled Grid</u> is directly connected.	The deletion of "required to protect" and insertion of "that protects" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it gives a more accurate description of the purpose of the System Protection Facilities. The description "required to protect" is too narrow and may exclude some facilities that should rightly be called System Protection Facilities. The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting. Furthermore, it recognizes the Participating TO's role as a transmission owner in the context of this three-party agreement. The insertion of "Participating TO's Interconnection Facilities, ISO Controlled Grid, and Affected Systems" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately and precisely the various systems that System Protection Facilities are designed to protect. The deletion of "Transmission Provider's Transmission System" and insertion of "ISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes more accurately and precisely the various systems that System Protection Facilities are designed to protect. The deletion of "Transmission Provider's Transmission System" and insertion of "ISO Controlled Grid" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes, using a precise definition, the facilities which System Protection Facilities are designed to protect.
Article 1. Definitions	Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.	This deleted definition is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because this term was deleted in favor of the superior definition of "ISO Tariff" (see justification for the definition of "ISO Tariff").

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 1. Definitions	Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.	This deleted definition is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because this term has been replaced in each instance by the term "Participating TO" (see justification for the definition "Participating TO").
Article 1. Definitions	Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.	The deletion of the definition for Transmission Provider is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term has been replaced in each instance by an appropriate and more precise term (either ISO, Participating TO, or ISO and Participating TO), which reflects the roles of the ISO and Participating TO in the context of this three-party agreement.
Article 1. Definitions	Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.	The deletion of "Transmission Provider' Interconnection Facilities" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the term has been replaced with the more precise term "Participating TO's Interconnection Facilities".
Article 1. Definitions	<u>Transmission Control Agreement shall mean ISO FERC Electric Tariff No. 7.</u>	The insertion of "Transmission Control Agreement" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it reflects the requirements of the ISO Tariff for Participating TOs.
Article 1. Definitions	Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.	The deletion of the definition for Transmission System is a Category 7 change. This change is consistent with or superior to the pro forma LGIA because this term has been replaced by the appropriate term throughout (ISO Controlled Grid, Participating TO's Transmission System, etc., see justification for the terms "ISO Controlled Grid" and "Participating TO's Transmission System").
Article 1. Definitions	<u>Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of the an Electric Generating Facility Unit prior to Commercial Operation.</u>	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "the Generating Unit" and insertion of "an Electric Generating Facility" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it more precisely accurately describes the interconnection by recognizing the fact that multiple units may coexist at one interconnection site and that different units may go through the period of trial operation at different times on different schedules.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 2.1	Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider <u>The ISO and Participating TO</u> shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.	The deletion of "Transmission Provider" and insertion of "The ISO and Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes precisely the roles of the ISO and Participating TO as transmission providers in the context of this three-party agreement.
Article 2.2	Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) _____ years from the Effective Date (<u><i>Term Specified in Individual Agreements to be ten (10) years or such other longer period as the Interconnection Customer may request</i></u> (Term to be specified in individual agreements)) and shall be automatically renewed for each successive one-year period thereafter.	The rearrangement of this section is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it allows the Interconnection Customer to request a longer term as it sees fit, rather than be immediately confined to a 10-year term, yet the provision still keeps the intent of making the term of the contract at least 10 years.
Article 2.3.1	Written Notice. This LGIA may be terminated by the Interconnection Customer after giving Transmission Provider <u>the ISO and the Participating TO</u> ninety (90) Calendar Days advance written notice, or by Transmission Provider <u>the ISO and the Participating TO</u> notifying FERC after the Generating Facility permanently ceases Commercial Operation.	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider" and insertion of "the ISO and the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes precisely the roles of the ISO and Participating TO as transmission providers in the context of this three-party agreement.
Article 2.3.2	Default. Either <u>A</u> Party may terminate this LGIA in accordance with Article 17.	The deletion of "Either" and insertion of "A" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects that fact that this is a three-party agreement.
Article 2.3.3	<u>Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16.</u>	The insertion of this sub-section is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the contract allows for termination under 5.16, but in the termination section, this provision was not listed. This could lead to an unnecessary contract dispute where none was intended by the drafter of the contract.
Article 2.3.4	Notwithstanding Articles 2.3.1 and 2.3.1 , 2.3.2, <u>and 2.3.3</u> , no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.	The deletion of "and" and insertion of "and 2.3.3," is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because as drafted, the language could be in conflict with sections 2.3.1 and 2.3.3, arising to a contract dispute where none was intended by the drafter of the contract.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 2.4	<p>Termination Costs. If a Party elects to terminate this Agreement this LGIA terminates pursuant to Article 2.3 above, each Party the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or ISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.</p>	<p>The deletion of "a Party elects to terminate this Agreement" and insertion of "this LGIA terminates" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because by the termination provisions of this LGIA (Article 2.3) this LGIA may terminate by its own terms, not necessarily by the election of any Party to this LGIA.</p> <p>The deletion of "each Party" and insertion of "the Interconnection Customer" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because this sentence describes precisely the duties of the Interconnection Customer when this LGIA terminates. Other sentences within this LGIA describe the duties of the ISO and the Participating TO.</p> <p>The insertion of "or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it accounts for costs that may not yet have been incurred but have been committed to be incurred. This is superior because the pro forma language leaves the responsibility for these yet to be incurred costs unaccounted for. This could lead to unnecessary disputes and confusion.</p> <p>The deletion of "or charges assessed by the other Party" and insertion of "and other expenses including any Network Upgrades and Distribution Upgrades for which the participating TO or ISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it accurately describes the types of costs that can be incurred that relate to the Interconnection Customer's Interconnection. It also accounts for costs that may not yet have been incurred but have been committed to be incurred. This is superior because the pro forma language leaves the responsibility for these yet to be incurred costs unaccounted for. This could lead to unnecessary disputes and confusion.</p> <p>The deletion of "Party's" and insertion of "Parties" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that this agreement is a three-party agreement.</p> <p>The deletion of "such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In" and insertion of "the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17." is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it eliminates any potential conflicts between this Article and the Article which preserves the Parties' rights to unilaterally change this LGIA (Article 30.11).</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 2.4.1	<p>Notwithstanding the foregoing, in the event of termination by a Party, theall Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC: 2.4.1—With respect to any portion of Transmission Provider<u>the Participating TO</u>'s Interconnection Facilities that have not yet been constructed or installed, Transmission Provider<u>the Participating TO</u> shall to the extent possible and with <u>the</u> Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event <u>the</u> Interconnection Customer elects not to authorize such cancellation, <u>the</u> Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider<u>the Participating TO</u> shall deliver such material and equipment, and, if necessary, assign such contracts, to <u>the</u> Interconnection Customer as soon as practicable, at <u>the</u> Interconnection Customer's expense. To the extent that <u>the</u> Interconnection Customer has already paid Transmission Provider<u>the Participating TO</u> for any or all such costs of materials or equipment not taken by <u>the</u> Interconnection Customer, Transmission Provider<u>the Participating TO</u> shall promptly refund such amounts to <u>the</u> Interconnection Customer, less any costs, including penalties, incurred by Transmission Provider<u>the Participating TO</u> to cancel any pending orders of or return such materials, equipment, or contracts.</p>	<p>The insertion of "Notwithstanding the foregoing, in" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it emphasizes that this article is subject to the previous article.</p> <p>The deletion of "the" and insertion of "all" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because clarifies precisely the obligations of all three Parties to this LGIA.</p> <p>The deletion of "Upon termination of this LGIA, unless otherwise ordered or approved by FERC" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA; because the two articles were combined into one, this introductory language is not necessary and could only cause confusion.</p> <p>For each instance it occurs in this section the deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes precisely the role of the Participating TO in the context of this three-party agreement.</p> <p>For each instance it occurs in this section the insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 2.4.1	<p>If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.</p>	<p>The deletion of "If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer." is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the language was condensed into the end of Section 2.4.</p>
Article 2.4.2	<p>Transmission Provider<u>The Participating TO</u> may, at its option, retain any portion of such materials, equipment, or facilities that <u>the</u> Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider<u>the Participating TO</u> shall be responsible for all costs associated with procuring such materials, equipment, or facilities.</p>	<p>For each instance it occurs in this section the deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes precisely the role of the Participating TO in the context of this three-party agreement.</p> <p>For each instance it occurs in this section the insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 2.5	Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the <u>Participating TO's</u> Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.	The insertion of "Participating TO's" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting.
Article 2.6	Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party <u>Parties</u> pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.	The deletion of "Party" and insertion of "Parties" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that this agreement is a three-party agreement.
	<u>Article 3. Regulatory Filings</u> <u>ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE</u>	The insertion of "and ISO Tariff Compliance" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it refers to the necessity for ISO Tariff Compliance as described in Articles 3.2 and 3.3.
Article 3.1	Filing. Transmission Provider <u>The Participating TO and the ISO</u> shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority (ies) , if required. <u>The</u> Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, <u>the</u> Interconnection Customer shall reasonably cooperate with Transmission Provider <u>the Participating TO and ISO</u> with respect to such filing and to provide any information reasonably requested by Transmission Provider <u>the Participating TO or ISO</u> needed to comply with applicable regulatory requirements	For each instance it occurs in this section the deletion of "Transmission Provider" and insertion of "The Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes the roles of the ISO and Participating TO in the context of this three-party agreement. The insertion of "(ies)" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it accurately recognizes that there may be more than one appropriate authority with which to file. For each instance it occurs in this section the insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider" and insertion of "Participating TO or ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes the roles of the ISO and Participating TO in the context of this three-party agreement.
Article 3.2	<u>3.2 Agreement Subject to ISO Tariff.</u> <u>The Interconnection Customer will comply with all applicable provisions of the ISO Tariff, including the LGIP.</u>	The insertion of Section 3.2 is both a Category 4 and Category 6 change. This change is consistent with or superior to the pro forma LGIA because it eliminates any ambiguity as to the relation between this LGIA and the ISO Tariff.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 3.3	<p><u>3.3 Relationship Between this LGIA and the ISO Tariff.</u></p> <p><u>[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]</u></p>	
Article 4.1	<p><u>Interconnection Product Options.</u> Interconnection Customer has selected the following (checked) type of Interconnection Service:</p>	<p>The deletion of "Product Options" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes that Participating TO's Delivery Network Upgrades and describes the services available in California.</p>
Article 4.1.1	<p><u>4.1.1 Energy Resource Interconnection Service. 4.1.1.1 The Product.</u> <u>Energy Resource Service.</u> Interconnection Service allows <u>the</u> Interconnection Customer to connect the Large Generating Facility to the <u>Participating TO's</u> Transmission System and be eligible to deliver the Large Generating Facility's output using the <u>existing firm or non-firm capacity of the Transmission System on an "as available" basis</u> <u>available capacity of the ISO Controlled Grid.</u> To the extent <u>the</u> Interconnection Customer wants to receive <u>Energy Resource</u> Interconnection Service, <u>Transmission Provider</u> <u>the Participating TO</u> shall construct facilities identified in <u>Attachment A-Appendices A and C that the Participating TO is responsible to construct.</u></p>	<p>The deletion of "4.1.1 Energy Resource Interconnection Service. 4.1.1.1 The Product. Energy Resource " and insertion of "Service" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes the Participating TO's Delivery Network Upgrades and describes the services available in California.</p> <p>For each instance it occurs in this section the insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "Participating TO's" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the transmission system to which the Interconnection Customer is interconnecting.</p> <p>The deletion of "existing firm or non- firm capacity of the Transmission System on an "as available" basis" and insertion of "available capacity on the ISO Controlled Grid" is both a Category 1 and Category 5 change. This change is consistent with or superior to the pro forma LGIA because it uses the defined term "ISO Controlled Grid" (see justification for the term "ISO Controlled Grid") to describe the transmission system to which the Interconnection Customer is interconnecting. In this context, the transmission system to which this provision applies is the ISO Controlled Grid rather than the Participating Transmission System.</p> <p>The deletion of "Energy Resource" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes that Participating TO's Delivery Network Upgrades and describes the services available in California.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes the roles of the ISO and Participating TO in the context of this three-party agreement.</p> <p>The deletion of "Attachment A" and insertion of "Appendices A and C that the Participating TO is responsible to construct" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because more accurately describes where in this LGIA the facilities are identified, thereby eliminating ambiguity.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 4.1.1.2	<p>4.1.1.2 — Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.</p>	<p>The deletion of Section 4.1.1.2 is a Category4 change. This change is consistent with or superior to the pro forma LGIA because this Article does not fit the service structure available in California under the FERC-approved ISO Tariff. The service and product options have been conformed to fit the terminology and available service options available under the FERC-approved ISO Tariff, while preserving the intent of the pro forma service options.</p>
Article 4.1.2	<p>4.1.2 — Network Resource Interconnection Service.</p>	<p>The deletion of "Network Resource Interconnection Service" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because this Article does not fit the service structure available in California under the FERC-approved ISO Tariff. The service and product options have been conformed to fit the terminology and available service options available under the FERC-approved ISO Tariff, while preserving the intent of the pro forma service options.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 4.1.2.1	<p>4.1.2.1 — The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.</p>	<p>The deletion of Section 4.1.2.1 is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because this Article does not fit the service structure available in California under the FERC-approved ISO Tariff. The service and product options have been conformed to fit the terminology and available service options available under the FERC-approved ISO Tariff, while preserving the intent of the pro forma service options.</p>
Article 4.1.2.2	<p>4.1.2.2 — Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses other Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.</p>	<p>The deletion of the first paragraph of 4.1.2.2 is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because this Article does not fit the service structure available in California under the FERC-approved ISO Tariff. The service and product options have been conformed to fit the terminology and available service options available under the FERC-approved ISO Tariff, while preserving the intent of the pro forma service options.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 4.1.2.2	<p>Network Resource Interconnection Service does not necessarily provide <u>the</u> Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System <u>the ISO Controlled Grid</u> without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System <u>the ISO Controlled Grid</u>, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System <u>the ISO Tariff</u> in the same manner as all other Network Resources <u>resources</u>.</p>	<p>The deletion of "Network Resource" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes that Participating TO's Delivery Network Upgrades and describes the services available in California.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider's Transmission System" and insertion of "the ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it specifies that constraints that may exist occur on the entire ISO Controlled Grid rather than just the Participating TO's Transmission System despite that fact that the Interconnection Customer is interconnecting to the Participating TO's Transmission System.</p> <p>The deletion of "Transmission Provider's Transmission System" and insertion of "the ISO Tariff" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it properly refers to the where the procedures can be found using the defined term "ISO Tariff" (see justification for the insertion of the term "ISO Tariff").</p> <p>The deletion of "Network Resources" and insertion of "resources" is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because it more accurately describes that Participating TO's Delivery Network Upgrades and describes the services available in California.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 4.1.2.2	<p>There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.</p> <p>Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.</p> <p>To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.</p>	<p>The deletion of the last 3 paragraphs of Article 4.1.2.2 is a Category 4 change. This change is consistent with or superior to the pro forma LGIA because this Article does not fit the service structure available in California under the FERC-approved ISO Tariff. The service and product options have been conformed to fit the terminology and available service options available under the FERC-approved ISO Tariff, while preserving the intent of the pro forma service options.</p>
Article 4.2	<p>Provision of Service. Transmission Provider<u>The Participating TO and the ISO</u> shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.</p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it uses a more precisely defined term to describe the transmission system to which the Interconnection Customer is interconnecting.</p> <p>The deletion of "at the Point of Interconnection" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the descriptive language "at the Point of Interconnection" is too narrow to describe the scope of the service provided by the ISO and Participating TO.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 4.3	<p>Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner <u>the ISO or Participating TO</u>, then that Party shall amend the LGIA and submit the amendment to FERC for approval.</p>	<p>The deletion of "Transmission Provider of Transmission Owner" and insertion of "the ISO or Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it precisely describes the Participating TO's role as a transmission owner and the ISO's role as a transmission provider in the context of this LGIA as a three-party agreement.</p>
Article 4.4	<p>No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's <u>the ISO</u> Tariff, and does not convey any right to deliver electricity to any specific customer or Point <u>point</u> of Delivery <u>delivery</u>.</p>	<p>The deletion of "Delivery" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it can now refer to a precisely defined term in the ISO Tariff, thereby eliminating ambiguity and even misinterpretation of this LGIA.</p> <p>The deletion of "Transmission Provider's" and insertion of "the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies which tariff contains the provisions for transmission service, thereby eliminating any ambiguity and confusion that may arise.</p> <p>The deletion of "Point of Delivery" and insertion of "point of delivery" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because there is no defined term "Point of Delivery". Leaving the term capitalized could lead to confusion and even misinterpretation of this LGIA.</p>
Article 5	<p><u>ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION</u></p> <p>Article 5. Interconnection Facilities Engineering, Procurement, and Construction</p> <p><u>Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the ISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.</u></p>	<p>The addition of the introductory paragraph to Article 5 is consistent with or superior to the pro forma LGIA because it provides clarification to the Interconnection Customer regarding the standards upon which the studies, design and construction will be performed. The studies – which will provide the basis for the design and construction of facilities – necessarily must be based on the information provided by the Interconnection Customer, and this addition makes that clear to the Interconnection Customer. The language is superior to the <i>pro forma</i> because without it, the standard for the studies, design and construction of the facilities is undefined.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.1	<p>Options. Unless otherwise mutually agreed to between<u>among</u> the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and, Network Upgrades, and <u>Distribution</u> Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.</p>	<p>The deletion of "to between" and insertion of "among" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects the three-party nature of the Agreement.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it is necessary to reflect that the Interconnection Facilities belong to the Participating TO, not the ISO. Without this change, it would be unclear who the Transmission Provider is in this context, and thus the change is superior to the <i>pro forma</i> language.</p> <p>Adding "Distribution Upgrades" to the list of types of upgrades is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because Distribution Upgrades – as well as Network Upgrades -- is one of the types of facilities that may need to be built under this Agreement, and thus they must be included in the Agreement. Since the <i>pro forma</i> agreement does not provide for Distribution Upgrades, it is superior to include language that provides for such facilities to reflect the reality of what will be built under the LGIA. This change is thus necessary to inform the Interconnection Customer that Distribution Upgrades may be included in Appendix A.</p>
Article 5.1.1	<p>Standard Option. Transmission Provider<u>The Participating TO</u> shall design, procure, and construct Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and, Network Upgrades, and <u>Distribution</u> Upgrades, using Reasonable Efforts to complete Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and, Network Upgrades, and <u>Distribution Upgrades</u> by the dates set forth in Appendix B, Milestones. Transmission Provider<u>The Participating TO</u> shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider<u>the Participating TO</u> reasonably expects that it will not be able to complete Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and, Network Upgrades, and <u>Distribution</u> Upgrades by the specified dates, Transmission Provider<u>the Participating TO</u> shall promptly provide written notice to the Interconnection Customer and the ISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because these changes are necessary to reflect that the Participating TO – not the ISO – shall design and build its Interconnection Facilities. The additional changes in this section also reflect that the Participating TO will be building the various facilities under the Standard Option, and thus it is the Participating TO, rather than the ISO, that should have the various rights and responsibilities under this Article.</p> <p>Adding "Distribution Upgrades" to the list of types of upgrades is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because these changes reflect that the Distribution Upgrades, as well as Interconnection Facilities and Network Upgrades, may be built under this LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "and the ISO" at the bottom of the paragraph is a Category 9 change. The change is consistent with or superior to the pro forma LGIA because it reflects the three-party nature of the LGIA. Because the ISO must be kept abreast of the status of the facilities in order to properly operate the grid, the Participating TO should be required to provide written notice of a delay in the completion of facilities to both the Interconnection Customer and the ISO.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.1.2	<p>Alternate Option. If the dates designated by <u>the</u> Interconnection Customer are acceptable to Transmission Provider, Transmission Provider <u>the Participating TO, the Participating TO</u> shall so notify <u>the</u> Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities by the designated dates.</p> <p>If Transmission Provider <u>the Participating TO</u> subsequently fails to complete Transmission Provider <u>the Participating TO's</u> Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider <u>the Participating TO</u> shall pay <u>the</u> Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by <u>the</u> Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.</p>	<p>The insertion of the word "the" is a Category 5 change throughout this section because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>Paragraph 1</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the changes are necessary to reflect that the Participating TO, not the ISO, is the "Transmission Provider" that will assume responsibility for the construction of the various facilities under the Alternate Option. Because the Participating TO is the relevant Transmission Provider in this context, it should be the Participating TO's responsibility to notify the Interconnection Customer if the dates designated are acceptable. The second change in this paragraph reflects that the Interconnection Facilities in question belong to the Participating TO, not the ISO.</p> <p>Paragraph 2</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because these changes are necessary to reflect that the Participating TO, not the ISO, is the "Transmission Provider" that will assume responsibility for the construction of the various facilities under the Alternate Option. The third change is necessary to reflect that the Participating TO will be responsible for paying liquidated damages, in the event that the parties proceed under the Alternate Option. This change is superior to the <i>pro forma</i> because otherwise the LGIA would be completely unclear about which entity is responsible for liquidated damages.</p> <p>The deletion of "applicable RTO or" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA. Because there is no applicable RTO, this term could cause confusion to the Interconnection Customer in interpreting the LGIA. This change is clearly consistent with the <i>pro forma</i> LGIA because it does not change the intent of the provision at all. Because it is consistent with the original intent of the language and clarifies a point that could cause confusion, the change is also superior to the pro forma LGIA, because there is no RTO in the ISO Controlled Grid; thus, this provision is not specific enough.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.1.3	<p>Option to Build. If the dates designated by <u>the Interconnection Customer</u> are not acceptable to Transmission Provider, Transmission Provider, the Participating TO, the Participating TO shall so notify <u>the Interconnection Customer</u> within thirty (30) Calendar Days, and unless the Parties agree otherwise, <u>the Interconnection Customer</u> shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider, the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider. If the Interconnection Customer elects to exercise its option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, it shall so notify the Participating TO within thirty (30) Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO. The Participating TO, ISO, and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, the Interconnection Customer shall have no right to construct Network Upgrades under this option.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO is the "Transmission Provider" that will be responsible for negotiating with the Interconnection Customer concerning the Option to Build because the facilities built under this option will be owned by the Participating TO, and the Participating TO would be the entity building the facilities if the Interconnection Customer does not choose the Option to Build; thus, the Participating TO is the appropriate Transmission Provider in this context. Moreover, the Interconnection Facilities in question are the Participating TO's Interconnection Facilities, not the ISO's; thus, this change is necessary to avoid any confusion.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "on the dates specified in Article 5.1.2. Transmission Provider" and insertion of the following paragraph is a Category 5 change. This change is consistent with or superior to the <i>pro forma</i> LGIA because it provides necessary clarification, without which this section will cause confusion to all of the Parties to the Agreement. The change also adds in a process by which the Interconnection Customer must inform the Participating TO of its intent to exercise its option to build. Contrary to the language in the <i>pro forma</i> LGIA there are no dates actually specified in Article 5.1.2 of the LGIA; rather, the dates will be specified <i>after</i> the LGIA is executed in the Appendices. This change is superior to the <i>pro forma</i> LGIA because the parties should not enter into an Agreement that is not internally consistent. This would lead to confusion and potential disputes. Moreover, without the additional requirement that the Interconnection Customer notify the Participating TO of its intent to build within 30 days of receipt of the Participating TO's notice that the specified dates are not acceptable, the Participating TO and ISO will have no way of knowing that the Interconnection Customer has chosen this option. This addition is consistent with Article 5.1.4.</p> <p>The deletion of "Transmission Provider" and insertion of "The Participating TO, ISO" is a Category 2 and a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects the requirement that all three parties agree as to what constitutes Stand Alone Network Upgrades. Because the Participating TO owns the facilities and the ISO has operational control over the ISO Controlled Grid, both parties must be involved in the determination of what constitutes a Stand Alone Network Upgrade.</p> <p>The insertion of "to this LGIA" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that the Appendix A to which the provision is referring is that to the LGIA, and not the LGIP. This change is superior to the <i>pro forma</i> because it will avoid confusion and provides a more specific reference to the Interconnection Customer.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.1.4	<p>Negotiated Option. If <u>the</u> Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, <u>the</u> Interconnection Customer shall so notify Transmission Provider <u>the Participating TO</u> within thirty (30) Calendar Days <u>of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO</u>, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades by <u>the</u> Interconnection Customer) pursuant to which Transmission Provider <u>the Participating TO</u> is responsible for the design, procurement and construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider <u>the Participating TO</u> shall assume responsibility for the design, procurement and construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades pursuant to <u>Article 5.1.1, Standard Option.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO is the "Transmission Provider" that will be responsible for negotiating with the Interconnection Customer concerning the Negotiated Option because it will be the entity building the facilities under that option. The change is superior to the <i>pro forma</i> LGIA because it specifies that the Participating TO, not the ISO, is responsible for the design, procurement and construction of the various facilities. It also clarifies that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities, not the ISO's; thus, this change is necessary to avoid any confusion.</p> <p>The insertion of "of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it makes the same clarifying change as in 5.1.3 to put the Interconnection Customer on notice that it must make its election with respect to the Option to Build, if it so desires, within 30 Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable. Without this change, it will not be clear that the thirty day time period runs from that date.</p> <p>The insertion of "Article" at the bottom of the paragraph is a Category 5 change, which is consistent or superior to the pro forma because it clarifies that the reference is referring to Article 5.1.1. This clarification is necessary to avoid any possible confusion by the Interconnection Customer.</p>
Article 5.2	<p>General Conditions Applicable to Option to Build. If <u>the</u> Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades,</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Interconnection Facilities to which the paragraph is referring are the Participating TO's facilities, not the ISOs.</p>
Article 5.2	<p>(1) <u>the</u> Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider <u>the Participating TO</u>;</p>	<p>The insertion of the word "the" is a Category 5 change, which is consistent with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Participating TO, not the ISO, is responsible for providing the standards and specifications to be used by the Interconnection Customer if it chooses the Option to Build. This is appropriate because the facilities in question are owned by the Participating TO (and would otherwise be built by the Participating TO), and thus must be built to its standards.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.2	(2) The Interconnection Customer's engineering, procurement and construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider <u>the Participating TO</u> would be subject in the engineering, procurement or construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades;	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Participating TO, not the ISO, is the relevant Transmission Provider in this context. Since the facilities belong to the Participating TO and the facilities would otherwise be built by the Participating TO, these changes are necessary to clarify that the Interconnection Customer must comply with the laws to which the Participating TO would be subject in building the Participating TO's Interconnection Facilities and other upgrades.
Article 5.2	(3) Transmission Provider <u>the Participating TO</u> shall review and approve, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of Transmission Provider <u>the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the ISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades;	The deletion of "Transmission Provider" and insertion of "the Participating TO" and the addition of the ISO's option to review the information are both Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because: 1) they specify that the Participating TO is responsible for both reviewing and approving the engineering design and construction of the facilities to be built by the Interconnection Customer in the event that it chooses the Option to Build, which is appropriate because the facilities in question are owned by the Participating TO (and would otherwise be built by the Participating TO), and thus must be built to its standards; 2) the change adds a requirement that the Participating TO not unreasonably withhold its approval which benefits the Interconnection Customer in the event that it believes the Participating TO is being unreasonable; 3) provides the ISO with an option to review the information in the event that the ISO deems it necessary to do so for effective operation of the grid. This provision provides the appropriate balance of review and approval to the two Transmission Providers.
Article 5.2	(4) prior to commencement of construction, the Interconnection Customer shall provide to Transmission Provider <u>the Participating TO, with a copy to the ISO for informational purposes,</u> a schedule for construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider <u>the Participating TO</u> ;	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph and the addition of "with a copy to the ISO for informational purposes" are both Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they specify that the Interconnection Customer must provide both the Participating TO and the ISO with a copy of its schedule for construction. The changes also specify that the Interconnection Customer is required to respond to requests for information from the Participating TO, which is the relevant Transmission Provider in this context because it will own the facilities and would otherwise be building them.
Article 5.2	(5) at any time during construction, Transmission Provider <u>the Participating TO</u> shall have the right to gain unrestricted access to Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;	The deletions of "Transmission Provider" and insertions of "the Participating TO" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they reflect that the Participating TO is the "Transmission Provider" that must have the right to unrestricted access to its own Interconnection Facilities and upgrades in order to conduct inspections, if necessary.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.2	(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider <u>the Participating TO</u> , the Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades;	The deletions of "Transmission Provider" and insertions of "the Participating TO" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they reflect that the Interconnection Customer must meet the standards and specifications provided by the Participating TO when it builds the Participating TO's Interconnection Facilities and the Stand Alone Network Upgrades.
Article 5.2	(7) the Interconnection Customer shall indemnify Transmission Provider <u>the ISO and Participating TO</u> for claims arising from the Interconnection Customer's construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO and Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer should be required to indemnify both the Participating TO and the ISO for any claims arising from the construction of the facilities, if the Interconnection Customer chooses the Option to Build, in the event that either of those parties suffers damages as a result of the Interconnection Customer building such facilities.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p>
Article 5.2	(8) The Interconnection Customer shall transfer control of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to Transmission Provider <u>the ISO</u> ;	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The remaining change in this paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it describes what happens to the Participating TO's Interconnection Facilities and the Stand Alone Network Upgrades under the Option to Build after the Interconnection Customer completes the construction. Appropriately, the Participating TO must obtain control of its Interconnection Facilities, while the ISO must obtain Operational Control of any network upgrades built.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.2	<p>(9) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of Transmission Providerthe <u>Participating TO's</u> Interconnection Facilities and Stand- Alone Network Upgrades to Transmission Providerthe <u>Participating TO</u>. <u>As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The first deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The second deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it appropriately reflects that the Interconnection Customer would transfer ownership of the facilities built under the Option to Build to the Participating TO, not the ISO. Thus, the Transmission Provider in this context must be the Participating TO.</p> <p>The addition of the paragraph at the end of this provision is consistent with or superior to the pro forma LGIA because it is necessary for the Participating TO to have an accurate invoice describing the final costs of construction so that the Participating TO can reflect those costs in rates. Without this provision, the Agreement would be deficient, as it would not provide a mechanism for the Interconnection Customer to invoice the Participating TO. Moreover, this provision gives the Interconnection Customer twelve months to produce such an invoice, which mirrors the time that the Participating TO has to do a true-up under Article 12.2 in the event that it constructs the facilities, which is just and reasonable.</p>
Article 5.2	<p>(10) Transmission Providerthe <u>Participating TO</u> shall approve and accept for operation and maintenance Transmission Providerthe <u>Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and</p>	<p>The first deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Participating TO is the Transmission Provider with the responsibility for accepting for operation and maintenance the facilities built by the Interconnection Customer under the Option to Build.</p> <p>The deletion of "approve and" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that approval of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall be in accordance with Article 5.2(3), as modified. Article 5.2(3) provides that the Interconnection Customer shall obtain the Participating TO's approval of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which such approval shall not be unreasonably withheld.</p> <p>The second deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.2	<p>(11) The Interconnection Customer shall deliver to Transmission Provider's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider <u>the Participating TO</u> to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider <u>the Participating TO</u>.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the first sentence of this paragraph is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because these requirements are necessary to ensure the safety and reliability of the ISO Controlled Grid and the Participating TO's electrical system. This provision clarifies to the Interconnection Customer where it can find the requirements and standards to which it must build if it chooses the Option to Build.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that the Participating TO is the "Transmission Provider" that will set forth the standards and specifications for the Interconnection Customer to build facilities that normally would be built by the Participating TO and which will eventually be owned by the Participating TO.</p>
Article 5.3	<p>Liquidated Damages. The actual damages to the Interconnection Customer, in the event Transmission Provider <u>the Participating TO's</u> Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by Transmission Provider <u>the Participating TO</u> pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider <u>to the Participating TO to the</u> Interconnection Customer in the event that Transmission Provider <u>the Participating TO</u> does not complete any portion of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider <u>the Participating TO</u> has assumed responsibility to design, procure and construct.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The first and second to final deletion of "Transmission Provider" and insertion of "the Participating TO" in this paragraph are Category 2 changes. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The other deletions of "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they accurately reflect that it is the Participating TO, not the ISO, that would be subject to liquidated damages in the event that the Participating TO accepts the Interconnection Customer's proposed dates and does not complete the upgrades by the applicable date, subject to the exceptions contained in the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.3	<p>However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades for which Transmission Provider <u>the Participating TO</u> has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider <u>the Participating TO to the</u> Interconnection Customer as just compensation for the damages caused to <u>the</u> Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider <u>Participating TO's</u> failure to meet its schedule.</p>	<p>The first deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The other deletions of "Transmission Provider" and insertions of "the Participating TO" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they reflect that the Participating TO, not the ISO, is the Transmission Provider in this context. The Participating TO will be building the facilities under this option, and thus is the party that would be obligated to pay liquidated damages for failure to meet its schedule. Without this change, the Interconnection Customer would not know who the appropriate Transmission Provider is.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.3	<p>No liquidated damages shall be paid to <u>the</u> Interconnection Customer if: (1) <u>the</u> Interconnection Customer is not ready to commence use of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Electric <u>Generating Facility Unit's</u> Trial Operation or to export power from the Large Electric <u>Generating Facility Unit</u> on the specified dates, unless <u>the</u> Interconnection Customer would have been able to commence use of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades to take the delivery of power for Large Electric <u>Generating Facility Unit's</u> Trial Operation or to export power from the Large Electric <u>Generating Facility Unit</u>, but for Transmission Provider<u>the Participating TO's</u> delay; (2) Transmission Provider<u>the Participating TO's</u> failure to meet the specified dates is the result of the action or inaction of <u>the</u> Interconnection Customer or any other Interconnection Customer<u>interconnection customer</u> who has entered into an <u>LGIA with Transmission Provider</u>interconnection agreement with the ISO and/or Participating TO, <u>action or inaction by the ISO</u>, or any cause beyond Transmission Provider<u>the Participating TO's</u> reasonable control or reasonable ability to cure; (3) the interconnection<u>Interconnection Customer</u> has assumed responsibility for the design, procurement and construction of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" in (1) and (3) is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The deletion of "Large . . . Facility" and insertion of "Electric . . . Unit" throughout this paragraph is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it necessarily clarifies that this provision applies to each generating unit, and not just to the facility as a whole. This change is necessary because it reflects that each unit at a generating facility may start producing energy at different times than the other units. Providing for this option is important for the Interconnection Customer. This distinction also is extremely important for reliability, and thus it is superior to the original language. Moreover, making a distinction between the individual generating units and the facility as a whole will reduce any confusion that the Interconnection Customer may have, and thus it is superior to the original language.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects the reality that the Participating TO may fail to meet the specified dates.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" in (2) of the provision is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the Participating TO, as the potential payor of liquidated damages, is the appropriate "Transmission Provider" in this context. It would not be logical to insert the ISO in this provision because the ISO is not building the facilities, and thus would not have to pay liquidated damages for not meeting certain promised deadlines.</p> <p>Lower casing of Interconnection Customer is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it minimizes confusion and makes the Agreement more accurate. Because the Interconnection Customer is defined as the signatory to a particular LGIA, this change is necessary to make the reference apply generally to all interconnection customers entering into interconnection agreements. This is clearly what the Commission intended; however, leaving the language as is could invite disputes later on.</p> <p>Insertion of "action or inaction by the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it ensures that no action or inaction on the part of the ISO could subject the Participating TO to liquidated damages. Since the actions or inactions of the ISO are out of the control of the PTO, liquidated damages would be inappropriate if a delay was due to the actions or inactions of the ISO.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.3	<p><u>In no event shall the ISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.</u></p>	<p>The insertion of this sentence in Article 5.3 is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the ISO should not be subject to liquidated damages, as it is not building any of the facilities. The Interconnection Customer would be limited to seeking actual damages, if applicable, from the ISO; however, liquidated damages would be inappropriate.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.4	<p>Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council, Transmission Provider and in accordance with the provisions of Section 5.4.1 of the ISO Tariff. The ISO reserves the right to reasonably establish <u>reasonable</u> minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative <u>the ISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. The ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers.</u> The requirements of this paragraph <u>Article 5.4</u> shall not apply to wind generators <u>of the induction type.</u></p>	<p>The insertion of "and in accordance with the provisions of Section 5.4.1 of the ISO Tariff." is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the ISO Tariff makes reference to the WECC standards for Power System Stabilizers that must be followed by users of the ISO Controlled Grid. This addition provides clarity to the Interconnection Customer so that it understands that it must follow ISO procedures, as well as the Applicable Reliability Council's standard.</p> <p>The deletion of "Transmission Provider" and insertion of "The ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the ISO is the "Transmission Provider" that would establish minimum acceptable settings for any installed Power System Stabilizers.</p> <p>The deletion of "reasonably" and the insertion of "reasonable" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it is the minimum acceptable settings which must be reasonable, not the manner by which the ISO establishes them.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider's system operator, or its designated representative" and the insertion of "the ISO and the Participating TO and restore . . . improperly tuned Power System Stabilizers" is a Category 5 and 6 change. This change is consistent with or superior to the pro forma LGIA because the Reliability Management System Agreement and its reference document address compliance standards for Power System Stabilizer operation and the acceptable timeframe for which a generating unit could operate without a Power System Stabilizer.</p> <p>The insertion of the sentence beginning with "The ISO shall have the right to order the reduction . . ." is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because an improperly tuned Power System Stabilizer could cause reliability problems such as oscillations, vibration and the inability to control the reactive output of the unit the Power System Stabilizer is controlling. These problems can be mitigated by reducing the unit's output or by disconnecting the unit from the system.</p> <p>The deletion of "paragraph" and insertion of "Article 5.4" is a Category 5 change, which is consistent with or superior to the pro forma LGIA because it provides consistency since the term Article is used throughout the LGIA.</p> <p>The addition of "of the induction type" is a Category 5 and Category 6 change. If a wind generator is of the synchronous type, then it would have the capability to comply with the standards set forth in Article 5.4, and thus must do so for reliability reasons. This addition adds clarification so that the Interconnection Customer understands its obligations.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.5	<p>Equipment Procurement. If responsibility for construction of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider<u>the Participating TO, then the Participating TO</u> shall commence design of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:</p>	<p>The first and last deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The other deletions of "Transmission Provider" and insertion of "the Participating TO" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they accurately reflect that if the Participating TO is the party that constructs the facilities (as opposed to the Interconnection Customer), the Participating TO (rather than the ISO) is the "Transmission Provider" responsible for commencing design and procuring equipment as soon as practicable after certain conditions are met.</p>
Article 5.5.1	<p>Transmission Provider<u>The Participating TO</u> has completed the <u>Interconnection</u> Facilities Study pursuant to the <u>Interconnection</u> Facilities Study Agreement;</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that it is the Participating TO, not the ISO, which will have completed the Interconnection Facilities Study.</p> <p>The insertion of "Interconnection" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because there is no defined term "Facilities Study" or "Facilities Study Agreement" in the LGIA; thus, the term "Interconnection" is necessary for the Agreement to be internally consistent. Without this change, the Interconnection Customer may be confused and disputes could arise.</p>
Article 5.5.2	<p>Transmission Provider<u>The Participating TO</u> has received written authorization to proceed with design and procurement from <u>the</u> Interconnection Customer by the date specified in Appendix B, Milestones; and</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that it is the Participating TO, as the party that will build the facilities, that would be the "Transmission Provider" to receive written authorization to proceed with design and procurement.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.5.3	<p><u>The</u> Interconnection Customer has provided security to Transmission Provider<u>the Participating TO</u> in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Customer will provide security to the Participating TO, not the ISO, since the Participating TO is the party that will build the facilities.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.6	<p>Construction Commencement. Transmission Provider. <u>The Participating TO</u> shall commence construction of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:</p>	<p>The first deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that it is the Participating TO, not the ISO, that will commence construction of the facilities. This change is necessary to avoid confusion by the Interconnection Customer because this is a three-party agreement, and it is not clear who the Transmission Provider is in this context.</p> <p>The second deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p>
Article 5.6.2	<p>Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades;</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p>
Article 5.6.3	<p>Transmission Provider <u>The Participating TO</u> has received written authorization to proceed with construction from <u>the</u> Interconnection Customer by the date specified in Appendix B, Milestones; and</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO, rather than the ISO, will receive authorization to proceed since it is the Transmission Provider that is performing the construction.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.6.4	<p><u>The</u> Interconnection Customer has provided <u>payment and</u> security to Transmission Provider <u>the Participating TO</u> in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "payment and" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA in that it reflects more accurately that the Interconnection Customer will be providing both cash payments and security to the Participating TO.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that it is the Participating TO, not the ISO, that will receive security from the Interconnection Customer. Since the Participating TO will be building the facilities, it must be the "Transmission Provider" that receives the security in accordance with Article 11.5.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.7	<p>Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either<u>Any</u> Party may, at any time, request a progress report from the other<u>another</u> Party. If, at any time, <u>the</u> Interconnection Customer determines that the completion of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities will not be required until after the specified In-Service Date<u>in-service date</u>, <u>the</u> Interconnection Customer will provide written notice to Transmission Provider<u>the Participating TO and ISO</u> of such later date upon which the completion of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities will be required.</p>	<p>The deletion of "Either" and insertion of "Any" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it is necessary to make the Agreement a three-party, rather than a two-party, agreement.</p> <p>The deletion of "the other" and insertion of the word "another" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it is necessary to make the Agreement a three-party, rather than a two-party, agreement.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>Lower casing of "In-Service Date" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the definition of In-Service Date includes a specified date, which may or may not be the actual in-service date that is referred to in this paragraph. In order to avoid confusion on that point, it is superior to use the more generic term "in-service date", which represents the actual in-service date.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Interconnection Customer must provide written notice to both the Participating TO and the ISO if its proposed in-service date is extended. It is necessary for both the ISO and the Participating TO to receive this information for the reliable operation of the ISO Controlled Grid.</p>
Article 5.8	<p>Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties<u>Interconnection Customer's Interconnection Facilities and Participating TO's</u> Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider<u>the Participating TO's</u> Transmission System, and shall work diligently and in good faith to make any necessary design changes.</p>	<p>The deletion of "Parties" and the insertion of "Interconnection Customer's Interconnection Facilities and Participating TO's" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it is necessary to add language to distinguish between the Interconnection Customer's Interconnection Facilities and the Participating TO's Interconnection Facilities. It would not be correct to leave in the term "Parties" because the ISO does not have any Interconnection Facilities.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Transmission System in question is the Participating TO's Transmission System.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.9	<p>Limited Operation. If any of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Electric <u>Generating Facility, Transmission Provider Unit, the Participating TO and/or ISO, as applicable,</u> shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Electric <u>Generating Facility Unit</u> and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider<u>The Participating TO and ISO</u> shall permit Interconnection Customer to operate the Large Electric <u>Generating Facility Unit</u> and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The deletion of "Large . . . Facility" and insertion of "Electric . . . Unit" throughout this paragraph is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it necessarily clarifies that this provision applies to each generating unit, and not just to the facility as a whole. This distinction is extremely important for reliability because limited operation may apply only to a particular unit, rather than to the entire facility; thus the change is superior to the original language.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and/or ISO, as applicable" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because there might be various occasions when either the Participating TO or the ISO would be performing additional studies at the Interconnection Customer's request, and the contract language must provide for either case.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because both the Participating TO and the ISO must permit the Interconnection Customer to operate the Electric Generating Unit in order for the safe and reliable operation of the ISO Controlled Grid and the Participating TO's Transmission System, and thus it is appropriate to include both for the term "Transmission Provider" in this instance.</p> <p>The insertion of the word "the" is a Category 5 change, because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.10	<p>Interconnection Customer's Interconnection Facilities (ICIF). The Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF<u>Interconnection Customer's Interconnection Facilities</u>, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of ("ICIF") and the use of the full defined term are Category 5 changes. These changes are consistent with or superior to the pro forma LGIA because they use the defined term, which will eliminate confusion by the Interconnection Customer.</p> <p>The deletion of the title of Appendix A is a Category 5 change, which is consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.10.1	<p><u>Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.</u> The Interconnection Customer shall submit initial specifications for the ICIF<u>Interconnection Customer's Interconnection Facilities and Large Generating Facility</u>, including System Protection Facilities, to Transmission Provider<u>the Participating TO and the ISO</u> at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider<u>The Participating TO and the ISO</u> shall review such specifications <u>pursuant to this LGIA and the LGIP</u> to ensure that the ICIF<u>Interconnection Customer's Interconnection Facilities and Large Generating Facility</u> are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider, <u>and any other applicable requirements of the Participating TO and the ISO</u> and comment on such specifications within thirty (30) Calendar Days of <u>the</u> Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.</p>	<p>The addition of "Large Generating Facility" throughout the paragraph is a Category 6 change. This change is consistent with or superior to the pro form LGIA because it clarifies that the relevant provisions also include specifications for the Large Generating Facility, as well as the Interconnection Customer's Interconnection Facilities. This is an essential change for reliability reasons because the specifications must apply to both types of facilities.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Facility" and insertion of "Facilities" is a Category 5 change, which is consistent with or superior to the pro forma LGIA because there may be more than one Interconnection Customer's Interconnection Facility, and thus the plural form is appropriate.</p> <p>The deletion of "ICIF" and the use of the fully defined term are Category 5 changes. These changes are consistent with or superior to the pro forma LGIA because they use the defined term, which will eliminate confusion by the Interconnection Customer.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer must submit its specifications to both the Participating TO and the ISO, and both of those entities must review the specifications to ensure reliability of the system.</p> <p>The addition of "pursuant to this LGIA and the LGIP" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it provides a standard upon which the Participating TO and the ISO will review the specifications. This benefits the Interconnection Customer by providing an objective standard for review.</p> <p>The deletion of "of Transmission Provider" and the insertion of "any other applicable requirements of the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Interconnection Customer must comply with all of the applicable requirements of both the Participating TO and the ISO, and thus both of those entities are the appropriate "Transmission Provider" in this context. It is necessary that the Interconnection Customer comply with all applicable safety requirements for the reliability of the system.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.10.2	<p>Transmission Provider<u>Participating TO's and ISO's Review.</u> Transmission Provider<u>The Participating TO's and the ISO's review of the</u> Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF<u>Interconnection Customer's Interconnection Facilities.</u> Interconnection Customer shall make such changes to the ICIF<u>Interconnection Customer's Interconnection Facilities</u> as may reasonably be required by Transmission Provider<u>the Participating TO or the ISO</u>, in accordance with Good Utility Practice, to ensure that the ICIF<u>Interconnection Customer's Interconnection Facilities</u> are compatible with the technical specifications, operational control<u>Operational Control</u>, and safety requirements of Transmission Provider<u>the Participating TO or the ISO.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO's and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately explains that both the Participating TO and the ISO must review the Interconnection Customer's final specifications, and that such review by both parties will not be deemed as a warranty.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "ICIF" and the use of the full defined term are Category 5 changes. These changes are consistent with or superior to the pro forma LGIA because they use the defined term, which will eliminate confusion by the Interconnection Customer.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO or the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that either the Participating TO or the ISO may require certain changes in the Interconnection Customer's Interconnection Facilities because of safety and reliability concerns. Thus, the appropriate "Transmission Provider" in this context is either the Participating TO or the ISO.</p> <p>The capitalization of the term Operational Control is a Category 1 change. This change is consistent or superior to the pro forma LGIA because the defined term in the ISO Tariff is a more precise term that all of the users of the California grid are familiar with, and thus the capitalized term should be utilized.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.10.3	<p>ICIF<u>Interconnection Customer's Interconnection Facilities Construction.</u> The ICIF<u>Interconnection Customer's Interconnection Facilities</u> shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties<u>Participating TO and Interconnection Customer</u> agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to Transmission Provider<u>the Participating TO and ISO</u> "as-built" drawings, information and documents for the ICIF<u>Interconnection Customer's Interconnection Facilities and the Electric Generating Unit(s)</u>, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF<u>Interconnection Customer's Interconnection Facilities</u>, plan and elevation drawings showing the layout of the ICIF<u>Interconnection Customer's Interconnection Facilities</u>, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF<u>Interconnection Customer's Interconnection Facilities</u>, and the impedances (determined by factory tests) for the associated step-up transformers and the Large<u>Electric Generating Facility Units</u>. The Interconnection Customer shall provide Transmission Provider<u>the Participating TO and the ISO</u> specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. <u>Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the Interconnection Customer shall be assessed by the Participating TO and the ISO pursuant to the appropriate provisions of this LGIA and the LGIP.</u></p>	<p>The deletion of "ICIF" and the use of the full defined term are Category 5 changes. These changes are consistent with or superior to the pro forma LGIA because they use the defined term, which will eliminate confusion by the Interconnection Customer.</p> <p>The deletion of "Parties" and insertion of "the Participating TO and Interconnection Customer" is a Category 2 and a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it reflects the three party nature of the Agreement. Here, only the Participating TO and the Interconnection Customer, not the ISO, need to be involved in any agreement to extend the deadline in this article.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because both the Participating TO and the ISO need to have the as-built drawings of both the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in order to reliably operate their respective transmission systems.</p> <p>The insertion of "and the Electric Generating Unit(s)" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that the Interconnection Customer must provide drawings for the Electric Generating Unit, as well as for the Interconnection Customer's Interconnection Facilities. This is an essential change for safety and reliability reasons because the ISO and the Participating TO must have access to the drawings for the Electric Generating Unit as well.</p> <p>The insertion of the word "the" is a Category 5 change, because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Large . . . Facility" and insertion of "Electric . . . Units" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it necessarily clarifies that this provision applies to each generating unit, and not just to the facility as a whole. This distinction is extremely important for reliability because limited operation may apply only to a particular unit, rather than to the entire facility; thus the change is superior to the original language.</p> <p>The insertion of the final sentence in this provision beginning with "Any deviations from the relay settings . . ." is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it is necessary to ensure the reliability of the ISO Controlled Grid and the Participating TO's Transmission System. This provision puts the Interconnection Customer on notice that any deviations from the original specifications must be assessed by the ISO and the Participating TO in order to make sure that the Electric Generating Units can safely and reliably operate and mitigate negative impacts to the ISO Controlled Grid and the Participating TO's electric system.</p>
Article 5.10.4	<p><u>Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook.</u> The <u>Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.</u></p>	<p>The addition of this sentence is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer must comply with the requirements set forth in the applicable Participating TO's Interconnection Handbook in order to maintain the safety and reliability of the system. Without an obligation to follow such a handbook in the Agreement, the reliability and safety of the system could be compromised and unnecessary disputes may arise. The Commission accepted a reference to Interconnection Guidelines in Xcel Energy Operating Cos., 107 FERC ¶ 61,313, PP 30-31.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.11	<p>Transmission ProviderParticipating TO's Interconnection Facilities Construction. Transmission Provider The Participating TO's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties<u>Participating TO and Interconnection Customer</u> agree on another mutually acceptable deadline, Transmission Provider<u>the Participating TO</u> shall deliver to <u>the Interconnection Customer</u> and the ISO the following "as-built" drawings, information and documents for Transmission Provider<u>the Participating TO's</u> Interconnection Facilities [include appropriate drawings and relay diagrams].</p>	<p>The deletions of "Transmission Provider" and insertions of "the Participating TO" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they (1) accurately reflect that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities; and (2) reflect that it is the Participating TO that is the responsible entity for delivering the appropriate documentation regarding the Participating TO's Interconnection Facilities to the other parties.</p> <p>The deletion of "Parties" and insertion of "Participating TO and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it is necessary to reflect that the Participating TO and the Interconnection Customer are the relevant parties that must agree on the deadline for the construction of the Participating TO's Interconnection Facilities.</p> <p>The insertion of "and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it adds the requirement that the Participating TO must send the "as-built" drawings and other information about the facilities to the ISO, as well as to the Interconnection Customer. The ISO needs this information as the operator of the ISO Controlled Grid.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.11	<p>Transmission Provider<u>The Participating TO</u> will obtain control of Transmission Provider<u>for operating and maintenance purposes of the Participating TO's</u> Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. <u>Pursuant to Article 5.2, the ISO will obtain Operational Control of the Stand Alone Network Upgrades prior to the Commercial Operation Date.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO . . . for operating and maintenance purposes of the Participating TO's" and the insertion of the final sentence of the paragraph are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they accurately reflect that the Participating TO is the entity that will obtain control for operating and maintenance purposes of its own Interconnection Facilities and the Stand Alone Network Upgrades, while the ISO will obtain Operational Control, as defined in the ISO Tariff, of the Stand Alone Network Upgrades prior to the Commercial Operation Date.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.12	<p>Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party:”) shall furnish <i>at no cost</i> to the other Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the <u>Participating TO’s</u> Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the <u>Participating TO’s</u> Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.</p>	<p>The insertion of “the Participating TO” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects the defined term “Participating TO’s Transmission System.” Because there are two transmission systems – the ISO Controlled Grid and the individual Participating TO’s systems, the two must be distinguished in this LGIA; thus, the change is superior to the pro forma LGIA to clarify that in this case the Agreement is referring to the individual Participating TO’s Transmission System.</p>
Article 5.13	<p>Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner <u>the Participating TO’s</u> Interconnection Facilities and/or Network Upgrades is <u>are</u> to be installed on property owned by persons other than the Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner <u>Participating TO, the Participating TO</u> shall at the Interconnection Customer’s expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner <u>the Participating TO’s</u> Interconnection Facilities and/or Network Upgrades upon such property.</p>	<p>The deletion of “Transmission Provider or Transmission Owner” and insertion of “the Participating TO” is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies (1) that the Interconnection Facilities in question belong to the Participating TO and not the ISO, and (2) that the Participating TO is the party responsible, if appropriate, to use efforts to procure the rights outlined in this paragraph. It would not be appropriate to include the ISO here, because the ISO does not own land and would not be responsible for procuring licenses, rights of way, etc.</p> <p>The deletion of “is” and insertion of “are” is a Category 8 change, which is consistent with or superior to the pro forma LGIA.</p> <p>The insertion of the word “the” is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.14	<p>Permits. The LGIA shall specify <u>Appendix C specifies</u> the allocation of the responsibilities of Transmission Provider or Transmission Owner and the Participating TO and the Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. Transmission Provider or Transmission Owner and Interconnection Customer <u>The Parties</u> shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. With respect to this paragraph, Transmission Provider or Transmission Owner <u>the Participating TO</u> shall provide permitting assistance to <u>the Interconnection Customer</u> comparable to that provided to Transmission Provider <u>the Participating TO's</u> own, or an Affiliate's generation.</p>	<p>The deletion of "The LGIA shall specify" and the insertion of "Appendix C specifies" is consistent with or superior to the pro forma LGIA because it simply demonstrates where the information to be provided pursuant to this paragraph can be found. This insertion is consistent with the Commission's intent that the information be provided in each individual LGIA, and it is beneficial to the Interconnection Customer because it more specifically points to the location of the information.</p> <p>The deletion of "Transmission Provider" and "Transmission Provider or Transmission Owner" and insertion of "the Participating TO" or "The Parties" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they appropriately specify (1) that the Participating TO and the Interconnection Customer – not the ISO – will be the entities responsible for obtaining permits, licenses, and authorizations; (2) that the Participating TO is the entity that is required to provide permitting assistance to the Interconnection Customer on the same basis that it would provide such assistance to one of its own generators; and (3) that all parties, where applicable, will cooperate in good faith to obtain any permits, etc. Although the Filing Parties don't anticipate that the ISO will be responsible for obtaining such permits or authorizations, it must cooperate in good faith if its assent or assistance is required.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.15	<p>Early Construction of Base Case Facilities. <u>The</u> Interconnection Customer may request Transmission Provider <u>the Participating TO</u> to construct, and Transmission Provider <u>the Participating TO</u> shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the <u>Participating TO's</u> Transmission System which are included in the Base Case of the Facilities Study <u>Interconnection Studies</u> for <u>the</u> Interconnection Customer, and which also are required to be constructed for another Interconnection Customer <u>interconnection customer</u>, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because: (1) it accurately reflects that the Interconnection Customer may request that the Participating TO – not the ISO – construct the Network Upgrades required by the requested in-service date; and (2) accurately reflects the defined term "Participating TO's Transmission System" as distinguished from the entire ISO Controlled Grid. Under this LGIA, the Participating TO would only be building those facilities that will be interconnected to its own transmission system. If additional facilities are required on another Participating TO's transmission system, those will be built under another LGIA between that Participating TO and the Interconnection Customer.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Facilities Study" and insertion of "Interconnection Studies" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the Participating TO must take into account the Base Case used in all of the Interconnection Studies, not just the Facilities Study.</p> <p>Lower casing "Interconnection Customer" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that there may be other studies or generators modeled in the Interconnection Customer's studies that are proposing to interconnect to other parts of the electric system.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.16	<p>Suspension. The Interconnection Customer reserves the right, upon written notice to Transmission Provider <u>the Participating TO and the ISO</u>, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities, <u>Network Upgrades</u>, and/or <u>Network Distribution</u> Upgrades required under this LGIA with the condition that Transmission System <u>the Participating TO's electrical system and the ISO Controlled Grid</u> shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider <u>the Participating TO's</u> safety and reliability criteria <u>and the ISO's Applicable Reliability Standards</u>. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider <u>the Participating TO</u> (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System <u>Participating TO's electric system</u> during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider <u>the Participating TO</u> cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider <u>the Participating TO</u> shall obtain Interconnection Customer's authorization to do so.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Customer must submit any request to suspend work under this LGIA to both the ISO and the Participating TO.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout the rest of the paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because: (1) it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities; and (2) it reflects that the Participating TO is the appropriate Transmission Provider in this context because it is the Participating TO that will be building the facilities and incurring costs.</p> <p>The deletion of "Transmission System" and insertion of "the Participating TO's electrical system" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the transmission system in question is the Participating TO's entire electrical system, including its distribution system.</p> <p>The addition of "and the ISO's Applicable Reliability Standards" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because, in the event of a suspension of work, the facilities must be restored to a safe condition pursuant to the ISO's Applicable Reliability Standards, the Participating TO's operating standards, WECC criteria and Good Utility Practice and to ensure that the system can be operated in a safe and reliable manner.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.16	<p>Transmission Provider<u>The Participating TO</u> shall invoice <u>the</u> Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider<u>the Participating TO</u> to recommence the work <u>or has not itself recommenced work</u> required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider<u>the Participating TO and the ISO</u>, if no effective date is specified.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the Participating TO is the only relevant Transmission Provider that would be building facilities under this provision.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "by Transmission Provider" and the insertion of "or has not itself recommenced work" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because under the current LGIA the Interconnection Customer may be entitled to build certain facilities. Thus, this article clarifies that if the Interconnection Customer suspends work done by the Participating TO or the Interconnection Customer for over three years, the LGIA shall be deemed terminated. This change is necessary to avoid any customer confusion or disputes in the event that the Interconnection Customer chooses the Option to Build.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and the ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.</p>
Article 5.17.1	<p>Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by <u>the</u> Interconnection Customer to Transmission Provider<u>the Participating TO</u> for the installation of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an <u>refundable</u> advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of the first "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The deletion of the second "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context. Throughout the tax section, the appropriate "Transmission Provider" is the Participating TO, unless otherwise specified, because the Participating TO will be building the facilities and therefore would be the party collecting funds – as well as taxes, if applicable – under the LGIA.</p> <p>The insertion of "refundable" is a Category 5 change. This change is consistent with or superior to the LGIA because it clarifies the type of advance for income tax determination purposes. This change benefits the Interconnection Customer because it provides clarification that the advance in question would be refundable, and thus eliminates confusion and avoids any potential disputes.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.2	<p>Representations and Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, <u>the</u> Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System <u>ISO Controlled Grid</u>, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for <u>Transmission Provider</u> the Participating TO for <u>the Participating TO's</u> Interconnection Facilities will be capitalized by <u>the</u> Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because this change clarifies that this clause applies to ownership of electricity that passes through the ISO Controlled Grid, for purposes of qualifying under the income tax safe harbor provisions of IRS Notice 2001-82, which is the appropriate defined term under the ISO Tariff.</p> <p>The deletion of "Transmission Provider" and insertion of the "Participating TO for the Participating TO's" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA for it specifies who the Transmission Provider is in this context.</p>
Article 5.17.2	<p>At Transmission Provider <u>the Participating TO's</u> request, <u>the</u> Interconnection Customer shall provide Transmission Provider <u>the Participating TO</u> with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider <u>The Participating TO</u> represents and covenants that the cost of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities paid for by <u>the</u> Interconnection Customer <u>without the possibility of refund or credit</u> will have no net effect on the base upon which rates are determined.</p>	<p>The deletion of the "Transmission Provider" and insertion of "the Participating TO" throughout the paragraph is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context, as it is appropriate for the Participating TO to be able to make such a request to the Interconnection Customer since it will be determining whether the amounts are appropriately taxable.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of the last "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The insertion of "without the possibility of refund or credit" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that only payments made by the Interconnection Customer that will not have a possibility of refund or credit will have no net effect on the base upon which rates are determined (payments refunded to the Interconnection Customer for system upgrades would be placed into rates for recovery). This clarification is necessary to avoid confusion and potential disputes.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.3	<p>Indemnification for the Cost Consequences Consequence of Current Tax Liability Imposed Upon the Transmission Provider Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider <u>the Participating TO</u> from the cost consequences of any current tax liability imposed against Transmission Provider <u>the Participating TO</u> as the result of payments or property transfers made by the Interconnection Customer to Transmission Provider <u>the Participating TO</u> under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider <u>the Participating TO</u>.</p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context for the reasons described above.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.17.3	<p>Transmission Provider <u>The Participating TO</u> shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) Transmission Provider <u>the Participating TO</u> has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to Transmission Provider <u>the Participating TO</u> should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider <u>the Participating TO</u> to report payments or property as income subject to taxation; provided, however, that Transmission Provider <u>the Participating TO</u> may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider <u>the Participating TO</u> (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse Transmission Provider <u>the Participating TO</u> for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider <u>the Participating TO</u> of the amount due, including detail about how the amount was calculated.</p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context. As described above, tax issues will be dealt with by the Participating TO, as the entity collecting funds, building facilities and owning facilities.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.3	<p>The indemnification obligation shall terminate at the earlier<u>later</u> of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider<u>the Participating TO</u> upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence<u>date</u> the risk of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17<u>subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.6 no longer exists, as reasonably determined by the Participating TO.</u></p>	<p>The deletion of "earlier" and insertion of "later" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it provides clarification concerning when the Interconnection Customer's indemnification obligation terminates. Clarification is required to account for the fact that subsequent taxable events as described in Section 5.17.6 could occur after the expiration of the 10-year testing period (as contemplated by IRS Notice 88-129) and the Participating TO's applicable statute of limitations has closed for the years in which the Participating TO received the contributions.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The deletion of "occurrence" and insertion of "date the risk" is consistent with or superior to the pro forma LGIA because it clarifies that the Participating TO's right to request security pursuant to Section 5.17.3 extends to subsequent taxable events as contemplated by Section 5.17.6, and which could occur under IRS Notice 88-129.</p> <p>The deletion of "a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17" and insertion of "subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.6 no longer exists, as reasonably determined by the Participating TO" is consistent with or superior to the pro forma LGIA because it clarifies that the Participating TO's right to request security extends to subsequent taxable events as contemplated in Section 5.17.6, and which could occur under IRS Notice 88-129.</p>
Article 5.17.4	<p>5.17.4 Tax Gross-Up Amount. <u>The</u> Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that <u>the</u> Interconnection Customer will pay Transmission Provider<u>the Participating TO</u>, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider<u>the Participating TO</u> ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider<u>the Participating TO</u> as a result of payments or property transfers made by <u>the</u> Interconnection Customer to Transmission Provider<u>the Participating TO</u> under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider<u>the Participating TO</u> to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.4	<p>For this purpose, (i) Current Taxes shall be computed based on Transmission Provider <u>the Participating TO's</u> composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider <u>the Participating TO</u> will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider <u>the Participating TO's</u> anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider <u>the Participating TO's</u> current weighted average cost of capital. Thus, the formula for calculating <u>the Interconnection Customer's</u> liability to Transmission Owner <u>the Participating TO</u> pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.17.5	<p>5.17.5 Private Letter Ruling or Change or Clarification of Law. At <u>the Interconnection Customer's</u> request and expense, Transmission Provider <u>the Participating TO</u> shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by <u>the Interconnection Customer</u> to Transmission Provider <u>the Participating TO</u> under this LGIA are subject to federal income taxation. <u>The Interconnection Customer</u> will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of <u>the Interconnection Customer's</u> knowledge. Transmission Provider <u>The Participating TO</u> and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, <u>provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of insertion of "provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies Transmission Provider's obligation to file the private letter ruling to the IRS under the penalties of perjury that all facts presented in the ruling request are true, correct and complete (a taxpayer is required by the IRS to submit a private letter ruling request with a perjury statement signed by an authorized signatory).</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.5	<p>Transmission Provider<u>The Participating TO</u> shall keep <u>the</u> Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes <u>the</u> Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider<u>The Participating TO</u> shall allow <u>the</u> Interconnection Customer to attend all meetings with IRS officials about the request and shall permit <u>the</u> Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.17.6	<p>5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) <u>the</u> Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider<u>the Participating TO</u> retains ownership of the Interconnection Facilities and Network Upgrades, <u>the</u> Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider<u>the Participating TO</u>, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.</p>	<p>The deletion of ", within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service" is consistent with or superior to the pro forma LGIA because a subsequent taxable event under IRS Notices 2001-82 and 88-129 can occur after 10 years. Therefore, language placing a 10-year limitation should be removed.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.7	<p>5.17.7 Contests. In the event any Governmental Authority determines that Transmission Provider<u>the Participating TO's</u> receipt of payments or property constitutes income that is subject to taxation, Transmission Provider<u>the Participating TO</u> shall notify <u>the</u> Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by <u>the</u> Interconnection Customer and at <u>the</u> Interconnection Customer's sole expense, Transmission Provider<u>the Participating TO</u> may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon <u>the</u> Interconnection Customer's written request and sole expense, Transmission Provider<u>the Participating TO</u> may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider<u>The Participating TO</u> reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider<u>the Participating TO</u> shall keep <u>the</u> Interconnection Customer informed, shall consider in good faith suggestions from <u>the</u> Interconnection Customer about the conduct of the contest, and shall reasonably permit <u>the</u> Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 5.17.7	<p><u>The</u> Interconnection Customer shall pay to Transmission Provider<u>the Participating TO</u> on a periodic basis, as invoiced by Transmission Provider<u>the Participating TO</u>, Transmission Provider<u>the Participating TO's</u> documented reasonable costs of prosecuting such appeal, protest, abatement or other contest—<u>including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of "including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies what costs the Interconnection Customer is responsible for in a tax contest and when payment is due for such costs.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.7	<p>At any time during the contest, Transmission Provider <u>the Participating TO</u> may agree to a settlement either with <u>the</u> Interconnection Customer's consent or <u>if such consent is refused</u>, after obtaining written advice from <u>independent</u> nationally-recognized tax counsel, selected by Transmission Provider <u>the Participating TO</u>, but reasonably acceptable to <u>the</u> Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. <u>The</u> Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by <u>the</u> Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. Any settlement paragraph. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or <u>any</u> such written advice; <u>however, any such settlement</u> will relieve <u>the</u> Interconnection Customer from any obligation to indemnify Transmission Provider <u>the Participating TO</u> for the tax at issue in the contest <u>(unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel)</u>.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertions of "if such consent is refused " and "independent" are Category 5 changes. Both changes are consistent with or superior to the pro forma LGIA because they clarify under what specific conditions the Participating TO may agree to a settlement. The changes clarify that if the Interconnection Customer refuses to consent to a settlement, the Participating TO must obtain an opinion from independent tax counsel. This requirement benefits the Interconnection Customer and reduces the risk of a potential dispute.</p> <p>The insertion of "The Participating TO may also settle any tax controversy . . . however, any such settlement . . . (unless the failure to obtain written advice is attributable to <u>the</u> Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel)" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that if the Participating TO settles without the Interconnection Customer's consent, the Interconnection Customer is relieved of any further liability unless the Interconnection Customer has unreasonably withheld its consent to appoint nationally recognized tax counsel.</p>
Article 5.17.8	<p>5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Provider <u>the Participating TO</u> which holds that any amount paid or the value of any property transferred by <u>the</u> Interconnection Customer to Transmission Provider <u>the Participating TO</u> under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider <u>the Participating TO</u> in good faith that any amount paid or the value of any property transferred by <u>the</u> Interconnection Customer to Transmission Provider <u>the Participating TO</u> under the terms of this LGIA is not taxable to Transmission Provider <u>the Participating TO</u>, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by <u>the</u> Interconnection Customer to Transmission Provider <u>the Participating TO</u> are not subject to federal income tax, or (d) if Transmission Provider <u>the Participating TO</u> receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by <u>the</u> Interconnection Customer to Transmission Provider <u>the Participating TO</u> pursuant to this LGIA, Transmission Provider <u>the Participating TO</u> shall promptly refund to <u>the</u> Interconnection Customer the following:</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.8	<p>(ii) on any amounts paid by the Interconnection Customer to Transmission Provider<u>the Participating TO</u> for such taxes which Transmission Provider<u>the Participating TO</u> did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR<u>C.F.R.</u> §35.19a(a)(2)(ii) (<u>iii</u>) from the date payment was made by the Interconnection Customer to the date Transmission Provider<u>the Participating TO</u> refunds such payment to the Interconnection Customer, and</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The change of "(ii)" to "(iii)" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it correctly references the section that pertains to all excessive rates or charges held on or after October 1, 1979. This change was accepted by FERC in PacifiCorp (107 FERC 61,318).</p>
Article 5.17.8	<p>(iii) with respect to any such taxes paid by Transmission Provider<u>the Participating TO</u>, any refund or credit Transmission Provider<u>the Participating TO</u> receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider<u>the Participating TO</u> for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider<u>the Participating TO</u> to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider<u>the Participating TO</u> will remit such amount promptly to the Interconnection Customer only after and to the extent that Transmission Provider<u>the Participating TO</u> has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider<u>the Participating TO</u>'s Interconnection Facilities.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.17.9	<p>5.17.9 Taxes Other Than Income Taxes. Upon the timely request by <u>the</u> Interconnection Customer, and at <u>the</u> Interconnection Customer's sole expense, Transmission Provider <u>the ISO or Participating TO</u> may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider <u>the ISO or Participating TO</u> for which <u>the</u> Interconnection Customer may be required to reimburse Transmission Provider <u>the ISO or Participating TO</u> under the terms of this LGIA. <u>The</u> Interconnection Customer shall pay to Transmission Provider <u>the Participating TO</u> on a periodic basis, as invoiced by Transmission Provider <u>the Participating TO</u>, Transmission Provider <u>the Participating TO</u>'s documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. <u>The</u> Interconnection Customer, <u>the</u> ISO, and Transmission Provider <u>the Participating TO</u> shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by <u>the</u> Interconnection Customer to Transmission Provider <u>the ISO or Participating TO</u> for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, <u>the</u> Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider <u>the Participating TO</u>.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO or Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context. Although the parties don't anticipate that the ISO would need to seek appeal or protest of taxes asserted, the Interconnection Customer would have the right to request such an appeal, if it were applicable, and thus both the ISO and the Participating TO should be included in this provision.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies who the Transmission Provider is in this context.</p>
Article 5.17.10	<p>5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.</p>	<p>The deletion of Section 5.17.10 is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because this section is unnecessary because the LGIA lays out the appropriate distinctions between Transmission Owner and Transmission Provider throughout the agreement; thus, the inclusion of this paragraph would only lead to confusion and potentially cause disputes if read or interpreted incorrectly.</p>
Article 5.18	<p>Tax Status. Each Party shall cooperate with the other <u>others</u> to maintain the other Party's <u>Parties'</u> tax status. Nothing in this LGIA is intended to adversely affect the ISO's or any Transmission Provider <u>Participating TO's</u> tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.</p>	<p>The deletion of "other" and insertion of "others" and the deletion of "Party's" and insertion of "Parties": are both Category 9 changes. These changes are consistent with or superior to the pro forma LGIA because they reflect the three-party – rather than two-party – nature of the LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO's or any Participating TO's" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it specifies that nothing in the LGIA is meant to affect either the ISO's or any of the Participating TO's tax exempt status.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.19.1	<p>General. Either Party<u>The Interconnection Customer or the Participating TO</u> may undertake modifications to its facilities, <u>subject to the provisions of this LGIA and the ISO Tariff.</u> If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's<u>Parties'</u> facilities, that Party shall provide to the other Party<u>Parties</u> sufficient information regarding such modification so that the other Party<u>Parties</u> may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party<u>Parties</u> at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.</p>	<p>The deletion of "Either Party" and insertion of "The Interconnection Customer or the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that only the Interconnection Customer and the Participating TO – not the ISO – will have facilities to modify.</p> <p>The addition of "subject to the provisions of this LGIA and the ISO Tariff" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA. Because the ISO Tariff applies to this LGIA, the Interconnection Customer and the Participating TO must be put on notice that any modifications to their facilities must comply with the relevant provisions of the ISO Tariff, as well as any other relevant provisions of the LGIA.</p> <p>The deletion of "Party" and insertion of "Parties" and the deletion of "Party's" and insertion of "Parties'" are both Category 9 changes. These changes are consistent with or superior to the pro forma LGIA because they reflect the three-party – rather than two-party – nature of the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.19.1	<p>In the case of Large Generating Facility modifications that do not require <u>the</u> Interconnection Customer to submit an Interconnection Request, Transmission Provider <u>the ISO or Participating TO</u> shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider <u>ISO Controlled Grid, Participating TO's Interconnection Facilities or Network Upgrades or Distribution Upgrades</u> necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof. <u>The Participating TO and the ISO shall determine if a Large Generating Facility modification is a Material Modification in accordance with the LGIP.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO or Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it appropriately specifies that either the ISO or the Participating TO may provide an estimate of modifications necessary to the ISO Controlled Grid.</p> <p>The deletion of "Transmission System" and the insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it uses the defined term "ISO Controlled Grid" instead of the generic term transmission system, which does not accurately distinguish between the ISO Controlled Grid and the Participating TO's Transmission System.</p> <p>The deletion of the last "Transmission Provider" and insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>Adding "Distribution Upgrades" to the list of types of upgrades is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because these changes reflect that the Distribution Upgrades, as well as Interconnection Facilities and Network Upgrades, may be built under this LGIA</p> <p>The insertion of "The Participating TO and the ISO shall determine of a Large Generating Facility modification is a Material Modification in accordance with the LGIP" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the Participating TO and the ISO must first determine whether a modification is a Material Modification in order to determine whether an Interconnection Request is required. Without this specificity, modifications could be made that affect the reliability of the system without a new application being tendered.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 5.19.3	<p>Modification Costs. The Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider <u>the Participating TO</u> makes to Transmission Provider <u>the Participating TO's</u> Interconnection Facilities or the <u>Participating TO's</u> Transmission System to facilitate the interconnection of a third party to Transmission Provider <u>the Participating TO's</u> Interconnection Facilities or the <u>Participating TO's</u> Transmission System, or to provide transmission service to a third party under Transmission Provider's <u>the ISO</u> Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's <u>the</u> Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's <u>Interconnection</u> Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "for" is a Category 8 change, which is consistent with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Participating TO, not the ISO, would be making modifications to its Interconnection Facilities and/or Transmission System.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p> <p>The deletion of "Transmission Provider's" and insertion of "the ISO" is a Category 2 and a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it specifies the name of the applicable tariff, rather than using the generic term necessarily used by FERC.</p> <p>The deletion of "Interconnection Customer's" and insertion of "the" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the provision applies to additions, modifications, or replacements to any Interconnection Facilities, and not just those of the Interconnection Customer. This reflects the reality that the Interconnection Customer should be responsible not only for costs to its facilities, but also costs to the Participating TO's Interconnection Facilities. Otherwise, the Interconnection Customer's interconnection would be improperly subsidized by the Participating TO's ratepayers.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 6.1	<p>Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, Transmission Provider <u>the Participating TO</u> shall test Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades, and <u>Distribution Upgrades</u> and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. <u>The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.</u> The Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" are Category 2 changes. The changes are consistent with or superior to the pro forma LGIA because, for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider," each with its own set of duties and responsibilities that need to be separately identified in the LGIA. In this case, the changes clarify that the Participating TO, as the owner of the specified facilities, is responsible for the testing of such facilities.</p> <p>The addition of "Distribution Upgrades" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because if any Distribution Upgrades are required to accommodate the interconnection of the Large Generating Facility, such upgrades will need to be tested prior to Commercial Operation in order to ensure their safe and reliable operation.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the second to last sentence is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it ensures safe and reliable operation of the electrical system. The Participating TO cannot allow the Interconnection Customer to commence initial parallel operation of an Electric Generating Unit until all of the necessary work has been properly completed and tested, and the technical requirements have been met. To do otherwise could result in adverse conditions or disturbances on the electric system, damage to facilities and/or harm to individuals. In order to ensure unambiguous communication between the Participating TO and the Interconnection Customer, the Interconnection Customer must not be able to operate its Electric Generating Unit in parallel with the Participating TO's Transmission System until it receives written approval from the Participating TO.</p>
Article 6.2	<p>Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the <u>Participating TO's</u> Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.</p>	<p>The insertion of "Participating TO's" is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it properly identifies that the Transmission System in this context is that portion of the ISO Controlled Grid that is owned by the Participating TO. This change is also consistent with the new term and definition of "Participating TO's Transmission System."</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 6.3	<p>Right to Observe Testing. Each Party shall notify the other Party<u>Parties at least fourteen (14) days</u> in advance of its performance of tests of its Interconnection Facilities <u>or Generating Facility</u>. The other Party has<u>Parties have</u> the right, at its<u>their</u> own expense, to observe such testing.</p>	<p>The replacement of “Party” with “Parties” and the associated grammatical changes are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they properly reflect that the Participating TO, as the transmission owner, and the ISO, as the transmission provider, must have the right to observe the testing of the Interconnection Customer’s Interconnection Facilities to ensure that such facilities are operating in a safe and reliable manner.</p> <p>The insertion of “at least fourteen (14) days” is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it provides a definitive and clear time requirement to all Parties for which the notification must be given. Such notification period is intended to give the Parties proper advance notice.</p> <p>The addition of “or Generating Facility” is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because the Participating TO and the ISO may need to observe the testing of the Generating Facility, in addition to the Interconnection Facilities, in order to receive assurance that such facility is operating in a safe and reliable manner.</p>
Article 6.4	<p>Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other<u>another</u> Party’s tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other<u>another</u> Party’s System Protection Facilities and other protective equipment; and (iii) review the other<u>another</u> Party’s maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.</p>	<p>The replacement of “the other Party’s” with “another Party’s” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it properly reflects that the Participating TO, as the transmission owner, and the ISO, as the transmission provider, must be given the rights specified in this Article to ensure that the facilities are being operated and maintained properly to ensure the safe and reliable operation of the system.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 7.1	<p>General. Each Party shall comply with the Applicable Reliability Council requirements. <u>The Interconnection Customer and ISO shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 and the Metering Protocol of the ISO Tariff.</u> Unless otherwise agreed by the Parties, Transmission Provider shall install <u>Participating TO and the Interconnection Customer, the Participating TO may install additional</u> Metering Equipment at the Point of Interconnection prior to any operation of the Large any Electric Generating Facility Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option <u>the ISO's or Participating TO's option for its respective Metering Equipment</u>, compensated to, the Point of Interconnection. Transmission Provider <u>The ISO</u> shall provide metering quantities, in analog and/or digital form, to <u>the Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system.</u> <u>The Interconnection Customer</u> shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.</p>	<p>The insertion of the second sentence is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because it clearly specifies that the Interconnection Customer and the ISO must also comply with the provisions of the ISO Tariff for metering. The provisions specified in the pro forma LGIA do not provide the necessary detailed and ISO-required metering provisions that must be applied consistently and uniformly to all Electric Generating Units interconnected to the ISO Controlled Grid.</p> <p>The revised sentence regarding the Participating TO's installation of additional metering equipment is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because there are instances where the system configuration is such that the Participating TO will require metering in places other than at the location of the Electric Generating Unit. For example, the Participating TO may need to meter a line at the Point of Interconnection in order to monitor the condition of, or take into account the affects of, the line or other facilities located between the Point of Interconnection and the Electric Generating Unit.</p> <p>The deletion of "the Large ...Facility" and the insertion of "any Electric ... Unit" are Category 6 changes. These changes are consistent with or superior to the pro forma LGIA because the entire Large Generating Facility may consist of individual Electric Generating Units, and each Electric Generating Unit may require its own Metering Equipment to allow for the proper metering of such facilities.</p> <p>The deletion of "Transmission Provider's option" and the insertion of "the ISO's or Participating TO's option for its respective Metering Equipment" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider," each with its own set of duties and responsibilities that need to be separately identified in the LGIA. In this case, the changes clarify that both the ISO and the Participating TO may install Metering Equipment.</p> <p>The deletion of "Transmission Provider" and the insertion of "The ISO" are also Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they clarify that the ISO provides the metering quantities.</p> <p>The deletion of ", in analog and/or digital form," and the insertion of "in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system" are Category 6 changes. The changes are consistent with or superior to the pro forma LGIA because they reiterate that the metering provisions are to be performed pursuant to the ISO Tariff.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 7.2	<p>Check Meters. The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider<u>the ISO-polled meters or the Participating TO's meters.</u> Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below<u>in the case that no other means are available on a temporary basis at the option of the ISO or the Participating TO.</u> The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee<u>the ISO or Participating TO or their designees.</u> The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "the ISO-polled meters or Participating TO's meters" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are both considered a "Transmission Provider," each with its own set of duties and responsibilities that need to be separately identified in the LGIA. In this case, the changes clarify that both the ISO and the Participating TO may install meters, and that the check meters may be used to check both the ISO-polled meters and the Participating TO's meters.</p> <p>The deletion of "as provided in Article 7.4 below" is a Category 6 change. The change is consistent with the deletion of Article 7.4 as justified below. The insertion of "in the case that no other means are available on a temporary basis at the option of the ISO or the Participating TO" is consistent with or superior to the pro forma because it properly reflects that check meters may be used as back up in case the other meters fail.</p> <p>The deletion of "Transmission Provider or its designee" and the insertion of "the ISO or Participating TO or their designees" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider," each with its own set duties and responsibilities that need to be separately identified in the LGIA. In this case, the changes clarify that both the ISO and the Participating TO may inspect the check meters since the check meters may either be checking the ISO-polled meters or the Participating TO's meters.</p>
Article 7.3	<p>Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.Participating TO Retail Metering. <u>The Participating TO may install retail revenue quality meters and associated equipment pursuant to the Participating TO's applicable retail tariffs.</u></p>	<p>The deletion of the existing article is a Category 5 change. The change is consistent with the changes made to pro forma LGIA sections 7.1 and 7.2 that the metering provisions are to be pursuant to the ISO Tariff. Such change eliminates any potential inconsistent or overlapping requirements between the ISO Tariff and the LGIA.</p> <p>The insertion of the new article is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it properly recognizes that the Participating TO may need to install retail revenue quality meters and associated equipment in order to obtain meter data for retail service. Each Participating TO is allowed to install the retail meters pursuant to each Participating TO's retail tariff.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 7.4	<p>7.4—Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.</p>	<p>The deletion of this article is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it eliminates any potential inconsistent or overlapping requirements between the ISO Tariff and the LGIA.</p>
Article 7.5	<p>7.5—Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.</p>	<p>The deletion of this article is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it is consistent with the changes made to pro forma LGIA sections 7.1 and 7.2 that the metering provisions are to be pursuant to the ISO Tariff. Such change eliminates any potential inconsistent or overlapping requirements between the ISO Tariff and the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 8.1	<p>Interconnection Customer Obligations. <u>The</u> Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System<u>the ISO in accordance with the provisions of the ISO Tariff and with the Participating TO's</u> dispatcher or representative designated by Transmission Provider<u>the Participating TO.</u> <u>The</u> Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. <u>The</u> Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider<u>the ISO and Participating TO</u> as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider<u>the ISO and Participating TO.</u> Any required maintenance of such communications equipment shall be performed by <u>the</u> Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider's Transmission System" and insertion of "the ISO in accordance with the provisions of the ISO Tariff and with the Participating TO's" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it removes any ambiguity regarding who communications should be with. The ISO Tariff, which has been accepted by FERC, contains FERC accepted operating and communication procedures and provisions that have been consistently implemented by all Participating TOs and Generators since that time, which has insured a safe and reliable electrical system.</p> <p>The deletion of "Transmission Provider" and the insertion of "the Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because the Participating TO and the Interconnection Customer must also maintain operating communications between each other in the event the safety and reliability of the electric system is in jeopardy due to emergency conditions, planned or unplanned outages or other occurrences.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO and Participating TO" is a Category 2 change. These changes are consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. The ISO and the Participating TO must each be capable of monitoring on a real time basis the SCADA, RTU and data circuits from the Interconnection Customer. These clauses specifically obligate the Interconnection Customer to provide such data to both the ISO and the Participating TO.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 8.2	<p>Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large <u>each Electric Generating Facility Unit</u>, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the <u>Interconnection Customer</u>, or by Transmission Provider <u>the Participating TO</u> at the <u>Interconnection Customer's expense</u>, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider <u>the ISO and by the Participating TO</u> through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The</p> <p><u>Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by Transmission Provider</u> the Participating TO. Instantaneous bi-directional analog <u>real power and reactive power flow and any other required</u> information must be telemetered directly to the location(s) specified by Transmission Provider <u>the Participating TO</u>.</p>	<p>The deletion of "the Large . . . and Facility" and insertion of "each Electric . . . and Unit" respectively, are Category 6 changes. The changes are consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment and each Electric Generating Unit at a Large Generating Facility will, in the majority of cases, be completed and synchronized on different dates and may require individual and separate Remote Terminal Units or equivalent data collection and transmission equipment located at different places.</p> <p>The deletion of "Transmission Provider" and the insertion of "the Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because the Participating TO, not the ISO, will install the Remote Terminal Unit, or equivalent data collection or transfer equipment.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO and Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are all considered "Transmission Providers" with responsibilities specifically identified in the LGIA. The ISO and the Participating TO must each be capable of monitoring on a real time basis the SCADA, RTU and data circuits from the Interconnection Customer.</p> <p>The deletion of "The" and the insertion of "Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry. For telemetry to the Participating TO, the" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it removes any ambiguity regarding the communication protocols. The ISO's technical standards are part of the ISO Tariff and are used consistently by all Interconnection Customers, Participating TOs and the ISO. Telemetry protocols are already covered by the FERC-approved ISO Tariff, and thus telemetry to the ISO are pursuant to the ISO Tariff. Telemetry to the Participating TO may be pursuant to the ISO standards, but they may also be pursuant to non-FERC jurisdictional tariff standards for retail metering and telemetry requirements.</p> <p>The deletion of "Transmission Provider" and the insertion of "The Participating TO" in the second paragraph is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because the Participating TO is the relevant Transmission Provider in this context.</p> <p>The deletion of "analog" and the insertion of "and any other required" are Category 6 changes. The change is consistent with or superior to the pro forma LGIA because real power and reactive power information may be obtained in digital or analog format, not just analog. Also, the ISO and Participating TO may require information in addition to real power and reactive power information. Such as, circuit breaker status (open or closed), voltage, frequency, etc. This information is essential in maintaining the safety and reliability of the electrical system.</p> <p>The deletion of "Transmission Provider" and the insertion of "The Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIP and LGIA. In this case, Participating TO must receive such technical information or a real time basis to monitor loads versus generation on the system and act accordingly in the event of problems.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 8.2	<p>Each Party will promptly advise the other Party<u>Parties</u> if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other<u>another</u> Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.</p>	<p>The deletion of "Party" and insertion of "Parties" is a Category 9 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. In this case, there are three "Parties": the Transmission Provider, the ISO and the Interconnection Customer. Each Party must advise all other parties; otherwise operating and communication confusion and safety and reliability issues may occur.</p> <p>The deletion of "the other" and insertion of "another" is a Category 2 and a Category 9 change. The change is consistent with or superior to the pro forma LGIA because it reflects the three-party, rather than two-party nature of the LGIA. In this case, errors or malfunctions in metering, telemetry or communications equipment may require any combination of all three entities making up the "Parties" to resolve, not just one party.</p>
Article 9.1	<p>General. Each Party shall comply with the Applicable Reliability Council requirements, <u>and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G.</u> Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.</p>	<p>The insertion of "and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G" is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because the western region of the United States operates under the Western Electrical Coordinating Council ("WECC") reliability criteria and, therefore, mandates that all generators comply with WECC reliability criteria and execute the Reliability Management System Agreement to ensure western system safety and reliability. The Commission has already approved the proposal of several entities to include the WECC RMS as an appendix to the LGIA. <i>Arizona Public Service Co., et. al.</i>, 107 FERC ¶ 61,255 (2004) at P 28.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.2	<p>Control Area Notification. At least three months before Initial Synchronization Date, the Transmission Provider <u>the ISO and Participating TO</u> in writing of the Control Area in which the Large Generating Facility will <u>intends to</u> be located. If the <u>the</u> Interconnection Customer elects <u>intends</u> to locate the Large Generating Facility in a Control Area other than the Control Area in which <u>within whose electrically metered boundaries</u> the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO and Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. In this case, both Transmission Providers (the ISO and the Participating TO) must be notified of the intent to locate in the ISO Controlled Area and whether such area is in the Participating TO's service territory.</p> <p>The deletion of "will" and the insertion of "intends to" is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because the Interconnection Customer may not know for certain in which Control Area it will actually locate its Large Generating Facility. Also, the ability of the Interconnection Customer to choose a Control Area is dependent on the terms of the relevant tariffs and such intent to locate may be altered by the tariff requirements or by the Interconnection Customer.</p> <p>The deletion of "elects" and the insertion of "intends" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "in which", insertion of "within whose electrically metered boundaries" and deletion of "physically" are Category 5 changes. These changes are consistent with or superior to the pro forma LGIA because the location of the Large Generating Facility is more precisely described as the Control Area within whose electrically metered boundaries the Large Generating Facility is located as opposed to the Control Area in which the Large Generating Facility is physically located.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.3	<p>Transmission Provider shall cause the Transmission System and Transmission Provider. The ISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA.</p> <p>Transmission Provider. The ISO and Participating TO may provide operating instructions to <u>the</u> Interconnection Customer consistent with this LGIA and Transmission Provider's <u>Participating TO and ISO</u> operating protocols and procedures as they may change from time to time.</p> <p>Transmission Provider. The Participating TO and ISO will consider changes to its <u>their</u> operating protocols and procedures proposed by <u>the</u> Interconnection Customer.</p>	<p>The deletion of "Transmission Provider", the insertion of "ISO and Participating TO", the deletion of "Transmission Provider shall cause the Transmission System and Transmission Provider" and insertion of "The ISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's" are Category 2 and Category 5 changes, respectively. The changes are consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. In this case, this clause is specifically identifying duties and responsibilities for the ISO and the Participating TO individually. Also, the change identifies clearly that the ISO and the Participating TO both operate the Participating TO's Transmission System. The ISO issues the operating instructions to the Participating TO and the Participating TO performs the physical operations. The changes also identify that the Transmission System shall be operated in a safe and reliable manner in accordance with the LGIA. The change also identifies that the Interconnection Customer is responsible for the Participating TO's operating expenses associated with operating the Participating TO's Interconnection Facilities, thereby removing any question regarding which party has cost responsibility for such expenses.</p> <p>The deletion of "Transmission Provider" and the insertion of "ISO and Participating TO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. In this case the ISO provides operating instructions to the Interconnection Customer; however, in some cases, such as emergencies, the Participating TO may be required to provide operating instructions to the Interconnection Customer.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "Participating TO and ISO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and the Participating TO are each considered a "Transmission Provider" with duties and responsibilities specifically identified in the LGIA. In this case the operating protocols used depend on which entity (the ISO or the Participating TO) is communicating with the Interconnection Customer.</p> <p>The deletion of "its" and the insertion of "their" is a Category 9 change. The change is consistent with or superior to the pro forma LGIA because it reflects the three-party nature of the LGIA, wherein both the ISO and the Participating TO have operating protocols and procedures.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.4	<p>Interconnection Customer Obligations. <u>The</u> Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and <u>the</u> Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. <u>The</u> Interconnection Customer shall operate the Large Generating Facility and <u>the</u> Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as including such requirements areas set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either A Party may request that the other another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. <u>The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.</u></p>	<p>The insertion of the word "the", deletion of "as", insertion of "including", deletion of "are", insertion of "as", deletion of "Either", insertion of "A", deletion of "the other", and insertion of "another" are Category 5, 8, and 9 changes. The changes are consistent with or superior to the pro forma LGIA because they clarify the possession or ownership of the specific Interconnection Facilities, clarify that other control area requirements must be adhered to beyond those requirements set forth in Appendix C, and reflect that the LGIA is a three-party agreement.</p> <p>The insertion of "The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit" is a Category 2 and 6 change. The change is consistent with or superior to the pro forma LGIA because it ensures that there is proper documented coordination between the Participating TO and the Interconnection Customer prior to energization and commercial operation so that the safety and reliability of the Participating TO's electric system, ISO Controlled Grid and equipment are not negatively affected, and also ensures that the health and safety of customers and field workers are not negatively impacted by the unexpected energization of generating units. It also ensures unambiguous communication through a written approval that the technical requirements specified in the LGIA have been met and that commercial operation may commence.</p>
Article 9.5	<p>Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, <u>the</u> Interconnection Customer is responsible for the proper synchronization of the Large each Electric Generating Facility to Transmission Provider's Transmission System Unit to the ISO Controlled Grid.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "the Large", insertion of "each Electric", deletion of "Facility to Transmission Provider's Transmission System" and the insertion of "Unit to the ISO Controlled Grid" are Category 1 and 6 changes. The changes are consistent with or superior to the pro forma LGIA because they specify that communication and synchronization should occur between individual Electric Generating Units and the ISO Controlled Grid, not just a Participating TO's portion of the whole grid. A Large Generating Facility may consist of individual Electric Generating Units and appurtenant equipment, which may be constructed and synchronized at different times.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.6.1	<p>Power Factor Design Criteria. <u>The Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection terminals of the Electric Generating Unit</u> at a power factor within the range of 0.95 leading to 0.95 0.90 lagging, unless Transmission Provider the ISO has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators <u>Wind generators of the induction type must maintain unity power factor at the Point of Interconnection.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The other changes in this Section 9.6.1 are Category 6 changes. The changes are consistent with or superior to the pro forma LGIA because they specify that the required power factor range is referenced at the terminals of the Electric Generating Unit, not at the Point of Interconnection. This specification is very important because, from an engineering perspective, the power factor range of 0.95 leading to 0.90 lagging at the terminals of the Electric Generating Unit is consistent with a power factor range of 0.95 leading to 0.95 lagging when the Point of Interconnection is electrically close to the terminals of the Electric Generating Unit. But, when the Point of Interconnection is not electrically close to the terminals of the Electric Generating Unit, as is the case with generator step-up transformer banks and long customer-owned generation tie-lines, the Electric Generating Unit could be operating at a lagging power factor at the generator terminals, but the power factor at the Point of Interconnection could be leading. Also, this change ensures better system reliability and accuracy because typically the ISO-required meters will be located at the Electric Generating Unit terminals. The Commission has found that a "Transmission Provider can utilize power factor requirements different from those contained in the <i>pro forma</i> LGIA as long as those power factor requirements apply to all generators on a comparable basis." <i>Florida Power & Light Company</i>, 108 FERC ¶ 61,239, at P 17. Here, the power factor requirements apply to all generators on a non-discriminatory basis, based on the ISO Tariff, and thus this change is appropriate.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.6.2	<p>Voltage Schedules. Once the Interconnection Customer has synchronized the Large <u>an Electric</u> Generating Facility with the Transmission System, Transmission Provider <u>Unit with the ISO Controlled Grid, the ISO or Participating TO</u> shall require the Interconnection Customer to operate the <u>maintain a voltage schedule by operating the Electric</u> Generating Facility Unit to produce or absorb reactive power within the design limitations of the Large <u>Electric</u> Generating Facility Unit set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider <u>ISO's</u> voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider <u>The Participating TO</u> shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the ISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the Transmission System <u>ISO Controlled Grid or the Participating TO's electric system</u>. The Interconnection Customer shall operate the Large <u>Electric</u> Generating Facility Unit to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility <u>Electric Generating Unit</u> set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the ISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator <u>ISO and the Participating TO</u>.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "the Large", insertion of "an Electric", deletion of "Facility with the Transmission System, Transmission Provider" and insertion of "Unit with the ISO Controlled Grid, the ISO or Participating TO" are Category 2 and 6 changes. The changes are consistent with or superior to the pro forma LGIA because in this case, synchronization may involve individual generating units constructed and synchronized at different times and dates. The units will be synchronized with the ISO Controlled Grid, and not just the Participating TO's Transmission System. The Transmission Provider may be the ISO or the Participating TO and depending on the circumstances and condition of the electric system, either the ISO or the Participating TO may order the particular Electric Generating Unit to produce or absorb reactive power. Such production or absorption of reactive power will be requested within the design limitation of the individual Electric Generating Unit.</p> <p>The deletion of "operate the Large", insertion of "maintain a voltage schedule by operating the Electric", deletion of "Facility", insertion of "Unit", deletion of "Large", insertion of "Electric", deletion of "Facility" and insertion of "Unit" are Category 5 and 6 changes. The changes are consistent with or superior to the pro forma LGIA because it accurately reflects that reactive power is produced or absorbed within each individual Electric Generating Unit.</p> <p>The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because although the Transmission Provider may be either the ISO or the Participating TO, in this case it is the ISO that is the ultimate source for the voltage schedules, although individual voltage schedules are provided to the Interconnection Customer by the Participating TO.</p> <p>The deletion of "Transmission Provider", the insertion of "The Participating TO" and the insertion of "the ISO or Participating TO" are Category 2 changes. The changes are consistent with or superior to the pro forma LGIA because the Participating TO provides the voltage schedule to the Interconnection Customer, and necessary changes to these schedules can be made (with advance notice) by the ISO or the Participating TO.</p> <p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid or the Participating TO's electric system" is a Category 2 and 6 change. The change is consistent with or superior to the pro forma LGIA because the ISO monitors the ISO Controlled Grid which is at a transmission voltage level and the Participating TO monitors the Participating TO's portion of the ISO Controlled Grid and the Participating TO's subtransmission and distribution systems which are part of the Participating TO's electric system, but are not a part of the ISO Controlled Grid, and the portions of the Participating TO's electric system that are not part of the ISO Controlled Grid may be impacted.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
		<p>The deletion of "the Large", insertion of "Electric", deletion of "Facility" and insertion of "Unit" are Category 6 changes. The changes are consistent with or superior to the pro forma LGIA because in this case, synchronization will involve individual units constructed and synchronized at different times and dates.</p> <p>The deletion of "at the Point of Interconnection" is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because it clarifies the required power factor range is referenced at the terminals of the Electric Generating Unit, as described in the justification for changes to Article 9.6.1.</p> <p>The deletion of "Large Generating Facility" and insertion of "Electric Generating Unit" is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment, and each Electric Generating Unit will, in the majority of cases, be completed and synchronized on different dates. Reactive power is produced or absorbed within each individual Electric Generating Unit.</p> <p>The insertion of "and as may be required by the ISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1." is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because this puts the Interconnection Customer on notice that it must follow the instructions of the ISO, in addition to operating to maintain the specified output voltage or power factor within the design limitations.</p> <p>The deletion of "System Operator" and the insertion of "ISO and the Participating TO" is a Category 2, 5 and 6 change. The change is consistent with or superior to the pro forma LGIA because it ensures proper communication and coordination between the parties and eliminates possible confusion and operating conflicts by providing notice to all parties.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.6.2.1	<p>Governors and Regulators. Whenever the Large <u>an Electric</u> Generating Facility <u>Unit</u> is operated in parallel with the Transmission System <u>ISO Controlled Grid</u> and the speed governors (if installed on the generating unit <u>Electric Generating Unit</u> pursuant to Good Utility Practice) and voltage regulators are capable of operation, the <u>Interconnection Customer shall operate the Large</u> <u>Electric</u> Generating Facility <u>Unit</u> with its speed governors and voltage regulators in automatic operation. If the Large <u>Electric</u> Generating Facility <u>Unit's</u> speed governors and voltage regulators are not capable of such automatic operation, the <u>Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large</u> <u>Generating Facility</u> <u>the ISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such</u> <u>Electric Generating Unit's</u> reactive power production or absorption (measured in MVARs) are within the design capability of the Large <u>Electric</u> Generating Facility's generating unit <u>Unit(s)</u> and steady state stability limits. <u>The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. If the Large</u> <u>Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the</u> Transmission System <u>ISO Controlled Grid</u> or trip any generating unit <u>Electric Generating Unit</u> comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.</p>	<p>The deletion of "the Large", insertion of "an Electric", deletion of "Facility", and insertion of "Unit" comprise a Category 6 change. The change is consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment, and each Electric Generating Unit will, in the majority of cases, be completed and synchronized on different dates.</p> <p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 2 and 5 change. The change is consistent with or superior to the pro forma LGIA because it clearly identifies that the Electric Generating Unit is connected to the ISO Controlled Grid, and each Electric Generating Unit will, in the majority of cases, be completed and synchronized on different dates.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "generating unit", insertion of "Electric Generating Unit", deletion of "Large", insertion of "Electric", deletion of "Facility", insertion of "Unit", deletion of "Large", insertion of "Electric", deletion of "Facility's" and insertion of "Unit" are Category 6 changes. The change is consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment, and each Electric Generating Unit will, in the majority of cases, be completed and synchronized on different dates.</p> <p>The deletion of "Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility" and insertion of "the ISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit" are Category 2 and 6 changes. These changes are consistent with or superior to the pro forma LGIA because they identify clearly specify that notices are to be provided to both the Participating TO and the ISO, since each entity has clearly defined roles and responsibilities, and that the Electric Generating Unit is to be operated as specified in Article 9.6.2 through manual operation.</p> <p>The deletion of "Large", insertion of "Electric", deletion of "Facility's generating unit" and insertion of "Unit" is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment, and each Electric Generating Unit will, in the majority of cases, be completed and synchronized on different dates.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.6.2.1 (Continued)		<p>The Insertion of "The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected." is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because it ensures that the Interconnection Customer follows the provisions and standards set forth in the applicable regional reliability council's Reliability Management System Agreement and it instructs the Interconnection Customer that the ISO has the right to order reductions if the devices are not properly tuned or malfunctioning in order to maintain the safety and reliability of the electric system.</p> <p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 2 and 5 change. The change is consistent with or superior to the pro forma LGIA because in this case the Transmission system being discussed is the ISO Controlled Grid.</p> <p>The deletion of "generating unit" and insertion of "Electric Generating Unit" is a Category 5 and 6 change. The change is consistent with or superior to the pro forma LGIA because the entire Generating Facility may consist of individual Electric Generating Units, including protection devices, meters, transformers and appurtenant equipment.</p>
Article 9.6.3	<p>Payment for Reactive Power. Transmission Provider ISO is required to pay <u>the</u> Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large an Electric Generating Facility Unit when Transmission Provider <u>the ISO</u> requests <u>the</u> Interconnection Customer to operate its Large Electric Generating Facility Unit outside the range specified in Article 9.6.1, provided that if Transmission Provider <u>the ISO</u> pays its own or affiliated <u>other</u> generators for reactive power service within the specified range, it must also pay <u>the</u> Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties <u>ISO and Interconnection Customer</u> have otherwise agreed.</p>	<p>The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it specifies that the ISO, not the Participating TO, pays Interconnection Customers for reactive power.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The change from "the Large Electric Generating Facility" to "an Electric Generating Unit" is a Category 6 change. The change is consistent with or superior to the pro forma LGIA because it specifies that the reactive power is produced or absorbed within each individual Electric Generating Unit.</p> <p>The deletion of "its own or affiliated" and insertion of "other" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the ISO, as an independent entity, does not have any generators of its own, or any affiliated generators.</p> <p>The deletion of "Parties" and the insertion of "ISO and Interconnection Customer" is a Category 2 and 5 change. The change is consistent with or superior to the pro forma LGIA because it specifically identifies that the arrangement for payment of reactive power involves the ISO and the Interconnection Customer only. This removes any potential confusion as to where the payments for reactive power will come from.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.1.1	<p>Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party<u>Parties</u> remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other<u>another</u> Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the<u>all</u> Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party<u>Parties</u> of such removal.</p>	<p>The deletion of "Party", insertion of "Parties", deletion of "the other", insertion of "another", deletion of "the" and insertion of "all" are Category 9 changes. The changes are consistent with or superior to the Pro forma LGIA because they reflect that the LGIA is a three-party, rather than a two-party, agreement.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.1.2	<p>Transmission Provider <u>The ISO shall post scheduled outages of its transmission ISO Controlled Grid facilities on the OASIS in accordance with the provisions of the ISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period the ISO in accordance with the ISO Tariff. The Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider in accordance with the ISO Tariff. The ISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider ISO Controlled Grid in accordance with the ISO 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 ISO. The ISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance in accordance with the ISO Tariff. The Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "The ISO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it is the ISO, not the Participating TO, that posts scheduled outages on its OASIS web site.</p> <p>The deletion of "its transmission" and insertion of "ISO Controlled Grid", the deletion of "on the OASIS" and insertion of "in accordance with the provisions of the ISO Tariff" are Category 2 and 5 changes. The changes are consistent with or superior to the pro forma LGIA because they accurately reflect the procedures which have been authorized by FERC for California in which scheduled outages on the ISO Controlled Grid are posted by the ISO on its OASIS and in accordance with standard provisions of the FERC-approved ISO Tariff.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider for a minimum of a rolling twenty-four month period" and insertion of "the ISO in accordance with the ISO Tariff", the deletion of "as necessary. Transmission Provider" and insertion of "in accordance with the ISO Tariff" are Category 2 and 5 changes. The changes are consistent with or superior to the pro forma LGIA because, although for purposes of this LGIA the Transmission Provider is both the ISO and the Participating TO depending on the function and responsibility, in this case, the Interconnection Customer must provide its updated maintenance schedule in accordance with the ISO Tariff guidelines.</p> <p>The insertion of "The ISO" is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because in this case, it is the ISO that has communication responsibilities with the Interconnection Customer regarding rescheduling maintenance in order to maintain the reliability of the ISO Controlled Grid.</p> <p>The deletion of "Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider" and insertion of "ISO Controlled Grid in accordance with the ISO 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 ISO." are Category 2 and 6 changes. The changes are consistent with or superior to the pro forma LGIA because they clearly specify that maintenance schedule criteria are outlined in the ISO Tariff. Providing maintenance schedules to the ISO and the Participating TO provides for better communication and coordination and reduces the possibility of negative impacts to the safety and reliability of the electric system.</p> <p>The deletion of "including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance" and insertion of "in accordance with the ISO Tariff" are Category 2 changes. The changes are consistent with or superior to the pro forma LGIA because compensation provisions are clearly identified in the ISO Tariff.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.1.3	<p>Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other<u>another</u> Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party<u>Parties</u>, to the extent such information is known, information on the nature of the Emergency Condition, <u>if the outage is caused by an Emergency Condition</u>, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage, <u>if requested by a Party, which may be provided by e-mail or facsimile.</u></p>	<p>The deletion of "the other", insertion of "another", is a Category 9 change. The change is consistent with or superior to the pro forma LGIA because it reflects that the LGIA is a three-party, not a two-party, agreement.</p> <p>The deletion of "Party" and insertion of "Parties" is a Category 9 change. The change is consistent with or superior to the pro forma LGIA because it reflects that the LGIA is a three-party, not a two-party, agreement.</p> <p>The insertion of "if the outage is caused by an Emergency Condition," is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it provides necessary specificity regarding that information on the nature of an outage need only be provided in the event of an Emergency Condition.</p> <p>The insertion of "if requested by a Party, which may be provided by e-mail or facsimile" is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it clearly specifies that notice would be provided in the form of e-mail or facsimile documentation upon request. Providing the other Party with a follow up written response in each and every instance soon after the start of an outage may not be possible given system conditions. The Party that owns or controls the facility may have other pressing activities that will need to be done by it to restore the system to normal operating conditions. The ISO and the Participating TOs revised this provision because the ISO believes current practices for operating procedures should be followed wherever possible and because the ISO does not wish to add administrative burdens on operating personnel unless it is absolutely necessary. While the ISO can provide information regarding Emergency Conditions consistent with its general procedures applicable to all Generators in the ISO Control Area, it could be quite burdensome to provide a special set of information just to Interconnection Customers that have entered into an LGIA. Changing the pro forma language to allow the Party that owns or controls the facility to provided written notice only when requested would lessen the burden and allow it to focus on other more pressing operational issues.</p>
Article 9.7.2	<p>Interruption of Service. If required by Good Utility Practice to do so, Transmission Provider<u>the ISO or the Participating TO</u> may require <u>the</u> Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider<u>the ISO's or the Participating TO's</u> ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System<u>Participating TO's electric system or the ISO Controlled Grid</u>. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:</p>	<p>The deletion of "Transmission Provider" and insertion of "the ISO or the Participating TO," is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it specifically identifies that in this case, the Transmission Provider is both the ISO and the Participating TO and that there may be circumstances where immediate action is required to maintain the safety and reliability of the electric system and the ISO or the Participating TO may take such action as required.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission System" and insertion of "Participating TO's electric system or the ISO Controlled Grid" is a Category 2, 3 and 6 change. The change is consistent with or superior to the pro forma LGIA because although the ISO and the Participating TO monitor the Transmission System, the Participating TO also monitors, controls, operates and maintains the subtransmission and distribution system and an interruption or reduction in service may be immediately required in order to maintain the safety and reliability of not only the transmission system, but also the subtransmission system or the distribution system, which are part of the Participating TO's electric system.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.2.2	Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System ; <u>ISO Controlled Grid, subject to any conditions specified in this LGIA;</u>	The deletion of "Transmission System" and insertion of "ISO Controlled Grid, subject to any conditions specified in this LGIA" is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it specifically identifies the entire ISO Controlled Grid, rather than only the Participating TO's portion of the ISO Controlled Grid, as being the transmission system in this context.
Article 9.7.2.3	When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider <u>the ISO or Participating TO, as applicable,</u> shall notify <u>the</u> Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification, <u>if requested by the Interconnection Customer,</u> as soon as practicable;	<p>The deletion of "Transmission Provider" and insertion of "the ISO or Participating TO, as applicable," is a Category 2 change. The change is consistent with or superior to the pro forma LGIA because it specifically identifies that in this case, the Transmission Provider is both the ISO and the Participating TO and that there may be circumstances where providing advance notice to the Interconnection Customer of a reduction or interruption may not be possible and the Participating TO or ISO may be required to take immediate action to maintain the safety and reliability of the electric system.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of ", if requested by the Interconnection Customer," is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because it clearly specifies that written notice would be provided if the Interconnection Customer requires such notice. Providing the other Party with a follow up written response in each and every instance of curtailment, interruption, or reduction may not be possible given system conditions. The Party that owns or controls the facility may have other pressing activities that will need to be done by it to restore the system to normal operating conditions. The ISO and the Participating TOs revised this provision because the ISO believes current practices for operating procedures should be followed wherever possible and because the ISO does not wish to add administrative burdens on operating personnel unless it is absolutely necessary. While the ISO can provide information regarding Emergency Conditions consistent with its general procedures applicable to all Generators in the ISO Control Area, it could be quite burdensome to provide a special set of information just to Interconnection Customers that have entered into an LGIA. Changing the pro forma language to allow the Party that owns or controls the facility to provided written notice only when requested would lessen the burden and allow it to focus on other more pressing operational issues.</p>
Article 9.7.2.4	Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider <u>the ISO or Participating TO</u> shall notify <u>the</u> Interconnection Customer in advance regarding the timing of such scheduling <u>interruption or reduction</u> and further notify <u>the</u> Interconnection Customer of the expected duration. Transmission Provider <u>The ISO or Participating TO</u> shall coordinate with <u>the</u> Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to <u>the</u> Interconnection Customer and Transmission Provider, the ISO, and the Participating TO;	<p>The deletion of "when the interruption or reduction can be scheduled without advance notice, Transmission Provider" and "scheduling" and insertion of "the ISO or Participating TO" and "interruption or reduction" is a Category 2 and 5 change. The change is consistent with or superior to the pro forma LGIA because it clearly specifies that, except during Emergency Conditions, either the ISO or the Participating TO may schedule interruptions or reductions and notify the Interconnection Customer regarding the timing of such interruptions or reductions. The Transmission Provider in this case is both the Participating TO and the ISO.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.2.5	<p>The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Participating TO's Transmission System, and the ISO Controlled Grid to their normal operating state, consistent with system conditions and Good Utility Practice.</p>	<p>The deletion of "and" and insertion of "Participating TO's" and "and the ISO Controlled Grid" is a Category 2 and 6 change. The change is consistent with or superior to the pro forma LGIA because it provides the necessary specificity to distinguish that while the Participating TO is able to physically restore only its Transmission System while working in communication with the ISO, the entire ISO Controlled Grid must be restored. The ISO does not physically restore the transmission system. This distinction must be made clear in this Agreement and the implication that the ISO physically restores facilities must be dispelled. It is imperative that it is not made to appear that the ISO can physically perform operations and restoration of facilities, only the Participating TO has that function.</p>
Article 9.7.3	<p>Under-Frequency and Over Frequency Conditions. The Transmission System <u>ISO Controlled Grid</u> is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency relay protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider, the Participating TO and ISO in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System <u>ISO Controlled Grid</u> during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.</p>	<p>Deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that the transmission system in this context is the ISO Controlled Grid as such is defined in the ISO Tariff.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>Deletion of "relay" and insertion of "protection" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it clearly specifies that in actual WECC system operations much of the off-nominal frequency protection is provided by the plant computer (supplementary control systems) and not by relays.</p> <p>Deletion of "of the Transmission System" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it eliminates redundancy, which can lead to confusion. "Ride through", as subsequently defined in this Article 9.7.3 already includes Transmission System (which has been replaced with ISO Controlled Grid as described above).</p> <p>Deletion of "Transmission Provider" and insertion of the "Participating TO and ISO" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Participating TO and the ISO since they are not the same entity. In this case, both the Participating TO and the ISO are responsible for study coordination related to off-nominal frequency deviations.</p> <p>Deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that the transmission system in this context is the ISO Controlled Grid as such is defined in the ISO Tariff.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.4.1	<p>System Protection Facilities. <u>The</u> Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities. Transmission Provider<u>The Participating TO</u> shall install at <u>the</u> Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or <u>the Participating TO's</u> Transmission System as a result of the interconnection of the Large Generating Facility and <u>the</u> Interconnection Customer's Interconnection Facilities.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>Deletion of "Transmission Provider" and the insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Participating TO and the ISO since they are not the same entity. In this case, it is the role of the Participating TO to install the required System Protection Facilities. The ISO provides transmission service; it does not install facilities.</p> <p>Deletion of "Transmission Provider" and the insertion of "the Participating TO's" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Participating TO and the ISO since they are not the same entity. In this case, the Participating TO is the owner of the Interconnection Facilities and the transmission system to which the Large Generating Facility is physically interconnected.</p>
Article 9.7.4.2	<p>Each Party<u>The Participating TO's and Interconnection Customer's</u> protection facilities shall be designed and coordinated with other systems in accordance with <u>Applicable Reliability Council criteria and</u> Good Utility Practice.</p>	<p>Deletion of "Each Party" and the insertion of "The Participating TO's and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for the design and coordination of protection facilities.</p> <p>Addition of "Applicable Reliability Council criteria and" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it provides necessary specificity that, in addition to Good Utility Practice, Applicable Reliability Council criteria must also be followed. In this case, Good Utility Practice alone does not adequately represent the full protection facilities design and coordination requirements.</p>
Article 9.7.4.3	<p>Each Party<u>The Participating TO and Interconnection Customer</u> shall <u>each</u> be responsible for protection of its facilities consistent with Good Utility Practice.</p>	<p>Deletion of "Each Party" and the insertion of "The Participating TO and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for protection of facilities.</p> <p>Addition of "each" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it clearly specifies that the Participating TO and Interconnection Customer are responsible only for protection of its own facilities.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.4.4	<p>Each Party <u>The Participating TO's and Interconnection Customer's</u> protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the <u>Interconnection Customer's units</u> Electric <u>Generating Units</u>.</p>	<p>Deletion of "Each Party" and the insertion of "The Participating TO and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for protective relay design.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>Deletion of "units" and the insertion of "Electric Generating Units" is a Category 1 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that the units in this context is the Electric Generating Units as such term is defined in the ISO Tariff.</p>
Article 9.7.4.5	<p>Each Party <u>The Participating TO and Interconnection Customer</u> will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.</p>	<p>Deletion of "Each Party" and the insertion of "The Participating TO and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for testing, operating, and maintaining System Protection Facilities.</p> <p>Insertion of "and, if applicable, the requirements of the Participating TO's Interconnection Handbook" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it provides necessary specificity that, in addition to Good Utility Practice, the applicable requirements of the Participating TO's Interconnection Handbook must also be followed. In this case, Good Utility Practice alone does not adequately represent the System Protection Facilities requirements. Specificity, as is provided in the Participating TO's Interconnection Handbook, eliminates the ambiguity as to what the requirements are.</p>
Article 9.7.4.6	<p>Prior to the In-Service Date <u>in-service date</u>, and again prior to the Commercial Operation Date, each Party or its agent <u>the Participating TO and Interconnection Customer or their agents</u> shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.</p>	<p>Deletion of "In-Service Date" and insertion of "in-service date" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it provides necessary specificity that the term means the actual in-service date, not the LGIA defined term that means the date reasonably expected by the Interconnection Customer.</p> <p>Deletion of "each Party or its agent" and the insertion of "the Participating TO and Interconnection Customer or their agents" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for testing of System Protection Facilities.</p> <p>The insertion of "the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook," is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it provides the necessary specificity that, in addition to Good Utility Practice, the applicable standards and procedures, including the requirements of the Participating TO's Interconnection Handbook must also be followed. In this case, Good Utility Practice alone does not adequately represent the intervals at which System Protection Facilities must be tested. Specificity, as is provided in the Participating TO's Interconnection Handbook, eliminates the ambiguity as to what the requirements are.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.5	<p>Requirements for Protection. In compliance with Good Utility Practice <u>and, if applicable, the requirements of the Participating TO's Interconnection Handbook</u>, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the <u>Participating TO's Transmission System</u> not otherwise isolated by Transmission Provider <u>the Participating TO's</u> equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the <u>Participating TO's</u> Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch <u>with load fault current</u>-interrupting capability located between the Large Generating Facility and the <u>Participating TO's</u> Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. <u>The</u> Interconnection Customer shall be responsible for protection of the Large Generating Facility and <u>the</u> Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. <u>The</u> Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and <u>the</u> Interconnection Customer's other equipment if conditions on the Transmission System <u>ISO Controlled Grid</u> could adversely affect the Large Generating Facility.</p>	<p>Insertion of "and, if applicable, the requirements of the Participating TO's Interconnection Handbook" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it provides necessary specificity that, in addition to Good Utility Practice, the applicable requirements of the Participating TO's Interconnection Handbook must also be followed. In this case, Good Utility Practice alone does not adequately represent the devices necessary to remove fault contribution of the Large Generating Facility. Specificity, as is provided in the Participating TO's Interconnection Handbook, eliminates ambiguity as to what the requirements are.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>Insertion of "Participating TO's" before Transmission System and before equipment is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the subject Transmission System and equipment are those of the Participating TO and not the ISO or Interconnection Customer.</p> <p>Deletion of "or switch" and "load", and insertion of "fault current" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it eliminates ambiguity as to the type of disconnecting device that is required.</p> <p>Deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 1 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that the transmission system in this context is the ISO Controlled Grid as such is defined in the ISO Tariff.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.7.6	<p>Neither Party <u>the Participating TO's nor the Interconnection Customer's</u> 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.</p>	<p>Deletion of "Party" and the insertion of "The Participating TO and Interconnection Customer" is a Category 2 change. This change is consistent with or superior to the pro-forma LGIA because it reflects the respective roles and responsibilities of the Parties to the LGIA. In this case the ISO, who is a Party to the LGIA, is not responsible for facilities that could cause excessive voltage flicker or excessive distortion. That responsibility falls solely on the Participating TO and the Interconnection Customer.</p> <p>Insertion of "standard, or any alternative Applicable Reliability Council" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that the Applicable Reliability Council may also have a standard that is tailored to the technical requirements of the specific region.</p> <p>Deletion of "ANSI Standard C841.1-1989, or the applicable superseding electric industry standard" is a Category 5 and 8 change. This change is consistent with or superior to the pro-forma LGIA because it eliminates any confusion caused by maintaining a redundant reference in the sentence.</p> <p>Insertion of "or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard" is a Category 5 change. This change is consistent with or superior to the pro-forma LGIA because it specifies that, given the Applicable Reliability Council standard is tailored to the technical requirements of the specific region, the Applicable Reliability Council standard will govern this technical requirement in the event of a conflict among the standards.</p>
Article 9.8	<p>Switching and Tagging Rules. Each Party shall provide the other Party <u>Parties</u> a copy of its switching and tagging rules that are applicable to the other Party's <u>Parties'</u> activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.</p>	<p>The deletion of "Party" and insertion of "Parties" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that in California a three Party Agreement will be required and that each Party will need to be informed of the Switching and Tagging Rules to safely operate the ISO Grid. This is the case in each instance of the use of Parties in this Article.</p>
Article 9.9.1	<p>Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the <u>Participating TO's</u> Transmission System and shall be used for no other purpose.</p>	<p>The insertion of "Participating TO's" is a Category 2 and 3 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects the defined term "Participating TO's Transmission System." Because there are two transmission systems – the ISO Controlled Grid and the individual Participating TO's systems, the two must be distinguished in this LGIA; thus, the change is superior to the pro forma LGIA to clarify that in this case the Agreement is referring to the individual Participating TO's Transmission System.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 9.9.2	<p>Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider<u>the Participating TO's</u> Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider<u>the Participating TO</u>, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider<u>the Participating TO</u>, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.</p>	<p>The deletion of "Transmission Provider or Transmission Owner" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies (1) that the Interconnection Facilities in question belong to the Participating TO and not the ISO.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 9.10	<p>Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System<u>the ISO Controlled Grid</u> by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.</p>	<p>The deletion of "Transmission Provider's Transmission System" and insertion of "the ISO Controlled Grid" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and Participating TO are each considered "Transmission Provider" with duties and responsibilities specifically identified in the LGIP and LGIA. In this case, it is the ISO that is operating the ISO Controlled Grid upon which the disturbance occurred with whom the Parties will cooperate with in determining the cause of a system disturbance.</p>
Article 10.1	<p>Transmission ProviderParticipating TO Obligations. Transmission Provider<u>The Participating TO</u> shall maintain the <u>Participating TO's</u> Transmission System and Transmission Provider<u>the Participating TO's</u> Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.</p>	<p>The deletion of "Transmission Provider" and insertion of "<u>The Participating TO</u>" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and Participating TO are each considered "Transmission Provider" with duties and responsibilities specifically identified in the LGIP and LGIA. The Participating TO shall maintain the Transmission System and Interconnection Facilities in a safe and reliable manner.</p>
Article 10.2	<p>Interconnection Customer Obligations. <u>The</u> Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 10.4	<p>Secondary Systems. Each Party<u>The Participating TO and Interconnection Customer</u> shall cooperate with the other Parties<u>Parties</u> in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party<u>Parties</u>. Each Party shall provide advance notice to the other Party<u>Parties</u> before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.</p>	<p>The deletion of "each Party" and insertion of "The Participating TO and Interconnection Customer" is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because for the purposes of the LGIA, the ISO and Participating TO are each considered "Transmission Provider" with duties and responsibilities specifically identified in the LGIP and LGIA. In this case, it is the Participating TO and the Interconnection Customer that must work together to safely inspect, maintain, and test control circuits.</p> <p>The deletion of "Party" and insertion of "Parties" is a Category 9 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that in California a three party Agreement will be required and that each of the three Parties will need to be informed of the status and testing of the Secondary Systems to safely operate the ISO Grid.</p>
Article 10.5	<p>Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, the<u>the</u> Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the<u>the</u> Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider<u>the Participating TO's</u> Interconnection Facilities.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's Interconnection Facilities.</p>
Article 11.1	<p>Interconnection Customer's Interconnection Facilities. The<u>The</u> Interconnection Customer shall design, procure, construct, install, own and/or control the<u>the</u> Interconnection Customer's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the "'s" is a Category 5 change, which is consistent with or superior to the LGIA because it converts the term used into the appropriate defined term. Clearly that is what the Commission intended, and it would be inappropriate to retain the erroneous language.</p> <p>The deletion of the title of Appendix A is a Category 5 change, which is consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.2	<p>Transmission Provider Participating TO's Interconnection Facilities. Transmission Provider or Transmission Owner <u>The Participating TO shall design, procure, construct, install, own and/or control the Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.</u></p>	<p>The deletion of "Transmission Provider" and "Transmission Provider or Transmission Owner" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it specifies (1) that the Interconnection Facilities in question belong to the Participating TO and not the ISO, and (2) that the Participating TO is the entity that will design and construct its own Interconnection Facilities, as described in the Appendix.</p> <p>The deletion of the title of Appendix A is a Category 5 change, which is consistent with or superior to the pro forma LGIA.</p> <p>The insertion of "Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the additional language specifies more precisely the circumstances in which the Interconnection Customer will be solely responsible for funding the capital for the Participating TO's Interconnection Facilities.</p>
Article 11.3	<p>Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner <u>The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner</u> <u>the Participating TO elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be solely funded by the Interconnection Customer.</u></p>	<p>The deletion of "Transmission Provider or Transmission Owner" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it appropriately specifies that the Participating TO – not the ISO – is the entity that will design and construct its own the Network Upgrades and Distribution Upgrades as described in the Appendix and would be the entity to elect whether to fund the various upgrades or not.</p> <p>The deletion of the title of Appendix A is a Category 5 change, which is consistent with or superior to the pro forma LGIA.</p> <p>The insertion of "Distribution Upgrades and" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the additional language specifies more precisely the circumstances in which the Interconnection Customer will be solely responsible for funding the capital for Distribution Upgrades and Network Upgrades.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 11.4	<p>Transmission Credits.</p> <p><u>[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]</u></p>	

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.4.1	<p>Repayment of Amounts Advanced for Network Upgrades. <u>Upon the Commercial Operation Date, the Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including the Participating TO for the cost of Network Upgrades, other than the amount by which the cost of those Network Upgrades is in excess of the benefits of those Network Upgrades, as determined by the economic test performed pursuant to LGIP Section 3.4.2. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any 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 LGIA 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. 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) (iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.</u></p>	<p>The insertion of "Upon the Commercial Operation Date, the" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because Order 2003 specifies that the Interconnection Customer is not entitled to receive refunds until the Commercial Operation Date, and thus this language incorporates that requirement into the LGIA in order to avoid disputes over when the refunds will commence.</p> <p>The deletion of "cash" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the repayment may not be in cash.</p> <p>The deletion of "Transmission Provider and Affected System Operator, if any for the Network Upgrades, including" and insertion of "the Participating TO for the cost of Network Upgrades, other than the amount by which the cost of those Network Upgrades is in excess of the benefits of those Network Upgrades, as determined by the economic test performed pursuant to LGIP Section 3.4.2. Such amount shall include . . ." is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the economic test is a way to assure that the market is benefiting from the upgrades caused by the Interconnection Customer. To the extent the upgrade costs exceed the benefit to the market, the cost responsibility should shift to the Interconnection Customer, who then can determine whether the excess costs exceeds the Interconnection Customer's expected benefits. Absent some check on the costs the Interconnection Customer's choice of siting imposes on the system, the full repayment of excessive costs would be an inappropriate subsidy by the market to the generator. It is anticipated that this provision will assist generators in their selection of an economically sound point of interconnection.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "and shall . . . by the Participating TO . . . 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" and the deletion of "for the non-usage sensitive portion of the transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility." is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because it explains in a more detailed manner how refunds will be handled for interconnections to the ISO Controlled Grid. This provision specifies the means for compensating the Interconnection Customer who funds Network Upgrades within a five year period, consistent with FERC Order 2003. This provision also specifies that alternative payment schedules for compensating the Interconnection Customer can be arranged if mutually agreeable, but, in any event, refunds must be paid within the five-year period, consistent with FERC Order 2003.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.4.1 (continued)		<p>The insertion of "Notwithstanding the foregoing, if this LGIA 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." is consistent with or superior to the pro forma LGIA because it specifies that the Participating TO's obligation ends upon termination of this LGIA. This provides business certainty and avoids an unclear obligation to monitor a possible successor to the original Interconnection Customer, and therefore is superior to the pro forma LGIA language.</p> <p>The insertion of "\$" in front of 35.19a(2)(ii) is a Category 5 change and is consistent with or superior to the pro forma LGIA because it clarifies that the referenced item is a paragraph.</p> <p>The change of "(ii)" to "(iii)" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it correctly references the section that pertains to all excessive rates or charges held on or after October 1, 1979. This change was accepted by FERC in PacifiCorp (107 FERC 61,318).</p> <p>The deletion of "pursuant to this subparagraph" is a Category 5 change. This change is consistent with or superior to the pro forma LGIA because the language of this paragraph has been rearranged, so it is now appropriate to delete this language. Consistent with the Commission's pro forma language, refunds will include interest calculated in accordance with FERC methodology.</p> <p>In the California market, generators are not directly charged for transmission service; rather, the load receiving the power pays for transmission. Consequently, the charges and volumes associated with flow of energy from a generator are difficult to quantify and would require the use of proxy rates and estimations. To facilitate the payment of credits, a payment mechanism was developed to provide certainty of repayment to the generators and predictability of payments for the Participating TOs. This methodology has been accepted by both the generator and Participating TOs without dispute and reflects a unique regional difference in the California market.</p>
Article 11.4.1	<p>Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer pursuant to this subparagraph until all amounts advanced for Network Upgrades have been repaid.</p>	<p>The deletion of this paragraph is consistent with or superior to the <i>pro forma</i> LGIA because the separate agreements between the relevant Participating TO and the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid will specify the terms of the refunds; thus, the deleted language is unnecessary. It does not make sense to describe the rights or obligations of an Affected System – that is not a party to nor bound by this Agreement – in this Agreement. Rather, this language should, and does, appear in the LGIP. Any Agreement entered into with an Affected System will have the relevant terms described here, but it is not appropriate to include terms for Affected Systems in an agreement with a single Interconnection Customer.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.4.1	<p>If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades.</p>	<p>The deletion of this paragraph is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because there is no stated timeline as to what amounts to failing to achieve commercial operation. If the Large Generating Facility misses its proposed commercial operation date by, say, two months due to unforeseen difficulties and during that time another generator in the queue behind this Interconnection Customer begins commercial operation, FERC was very clear that the triggering entity pays for the necessary facilities. Therefore, in this case the later generator should not be obligated to pay. Also, FERC was silent on whether the new generator pays or the Transmission Provider pays. Until FERC clarifies this, if the Large Generating Facility paid for the necessary upgrades and for whatever reason, fails to achieve commercial operation, said generator should be responsible for the costs, unless, the generator withdrew its application for interconnection or was deemed withdrawn and another generator in the queue behind this generator comes on line and makes use and triggers the need for the same facilities. In this case, reimbursement from the second generator to the first is warranted. In addition, this language was deleted to achieve a certain level of equity in FERC's crediting policy. The uncertainty in payment obligation in holding open the Participating TO's books for extended period of time would be administratively burdensome and litigation over whether the upgrades clearly benefit a subsequent generator likely would result. Absent this change, the Participating TO would be required to perform subsequent system impact analyses that consider the system as it existed at some previous time to determine whether subsequent generators benefit from such upgrades. This policy would also be costly to ratepayers who would, in the end, pay interest for the period of time the Network Upgrades were in service, but not necessary. Equity demands that the Interconnection Customer, not the Participating TO or its ratepayers, have the obligation to mitigate the cancellation or deferral of its generating project.</p>
Article 11.4.2	<p>Special Provisions for Affected Systems. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, The Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. <u>With the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid, as applicable, in accordance with the LGIP. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System Operator and/or other affected owners of portions of the ISO Controlled Grid as well as the repayment by the owner of the Affected System Operator and/or other affected owners of portions of the ISO 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.</u></p>	<p>The changes in this paragraph are all Category 5 changes. As the LGIA is written, it assumes that an Affected System Operator would be a signatory to this LGIA and/or that FERC would have the authority to dictate that the Affected System Operator enter into an LGIA, which is not necessarily the case. Thus, this paragraph has been rewritten to specify that a separate agreement may be necessary for Network Upgrades caused on Affected Systems, or on the electrical systems of other Participating TOs. This provision provides that the Interconnection Customer will be required to enter into an agreement with the owner of an Affected System or affected owners of portions of the ISO Controlled Grid, in accordance with the LGIP. The paragraph also explains that the Participating TO that is a party to this LGIA will not be responsible for refunds for facilities that are not part of the Participating TO's Transmission System. These changes are necessary to clarify the respective rights and obligations of the owners of Affected Systems and the Participating TO that is the signatory of this Agreement. Such Participating TO would have no obligation or right to build facilities for an Affected System, and therefore the Interconnection Customer would be required to enter into a separate agreement with such entity, which provides for, as appropriate, upfront funding by the Interconnection Customer and refunds by the Affected System owner. This paragraph simply reflects that reality.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.4.3	Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that <u>the</u> 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 Large Generating Facility.	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.
Article 11.5	<p>Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider <u>Participating TO's</u> Interconnection Facilities, Network Upgrades, or Distribution Upgrades, <u>the</u> Interconnection Customer shall provide Transmission Provider <u>the Participating TO</u>, at <u>the</u> Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider <u>the Participating TO</u> and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities, Network Upgrades, or Distribution Upgrades <u>and, operation and maintenance expenses for a period of four (4) months, and the estimated costs to remove the Participating TO's Interconnection Facilities upon termination of this LGIA. Such security shall be reduced on a dollar-for-dollar basis, excluding security related to operation and maintenance expenses and removal costs,</u> for payments made to Transmission Provider <u>the Participating TO</u> for these purposes.</p> <p>In addition:</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because: (1) it appropriately specifies that the Interconnection Facilities in question are the Participating TO's; and (2) it reflects that the Participating TO is the entity that will be provided with security by the Interconnection Customer because the Participating TO is the entity building the facilities.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The addition of "operation and maintenance expenses for a period of four (4) months and the estimated costs to remove the Participating TO's Interconnection Facilities upon termination of this LGIA" and "excluding security related to operation and maintenance expenses and removal costs" is consistent with or superior to the pro forma LGIA for the following reasons. This change incorporates the Participating TOs' current practice to obtain security for future costs in the event the Interconnection Customer is in default. This provision is comparable or superior to the pro forma LGIA because it provides protection to the Participating TOs and its other customers from the risk of payment default by an Interconnection Customer. The amount of security required from an Interconnection Customer equals four months of operation and maintenance expenses (which are equal to the capital costs of the facilities times a fixed rate that is cost-justified and filed with FERC annually) and the estimated removal costs of the facilities. These amounts can easily be calculated and applied on a non-discriminatory basis to all Interconnection Customers as demonstrated by SCE's current practice employed in its interconnection agreements. Four months security is appropriate for the O&M component because (a) from the time the monthly invoice is rendered, the customer has 20 days to pay the invoice; (b) failure to pay on or before the due date sends a signal to the Participating TO to send a notice to the Interconnection Customer to cure such failure (estimated to be 10 days for a total of 30 days); (c) the Interconnection Customer is given 30 days following receipt of such notice to correct such failure to pay (total of 60 days); and (d) if such failure to pay is not corrected and the Interconnection Customer is in default, FERC requires 60 days' notice before the LGIA can be terminated (total of 120 days).</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.5.1	The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider <u>the Participating TO</u> , and contain terms and conditions that guarantee payment of any amount that may be due from <u>the</u> Interconnection Customer, up to an agreed-to maximum amount.	The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer's financial obligations under this Agreement will run to the Participating TO, the Interconnection Customer must meet the creditworthiness requirements of the Participating TO, not the ISO. <u>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</u>
Article 11.5.2	The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider <u>the Participating TO</u> and must specify a reasonable expiration date.	The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA. Because the Interconnection Customer's financial obligations under this Agreement will run to the Participating TO, the Interconnection Customer must meet the creditworthiness requirements of the Participating TO, not the ISO.
Article 11.5.3	The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider <u>the Participating TO</u> and must specify a reasonable expiration date.	The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA. Because the Interconnection Customer's financial obligations under this Agreement will run to the Participating TO, the Interconnection Customer must meet the creditworthiness requirements of the Participating TO, not the ISO.
Article 11.6	Interconnection Customer Compensation. If Transmission Provider <u>the ISO</u> requests or directs <u>the</u> Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power); or 13.5.1 of this LGIA, Transmission Provider <u>the ISO</u> shall compensate <u>the</u> Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service. <u>the ISO Tariff.</u>	The deletion of "Transmission Provider" and insertion of "the ISO" throughout this paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the ISO, not the Participating TO, is the relevant Transmission Provider in this context because the ISO is responsible for requesting and compensating for reactive power. The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of the deleted language and insertion of "the ISO Tariff" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the deleted language is not relevant in the LGIA, since compensation is covered by the ISO Tariff. Since the ISO Tariff containing these provisions has been approved by the Commission, it is superior to use the standard already set forth there.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 11.6.1	<p>Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or The ISO shall compensate <u>the Interconnection Customer in accordance with the ISO Tariff</u> for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the Transmission System <u>ISO Controlled Grid</u> during an Emergency Condition in accordance with Article 11.6.</p>	<p>The deletion of "Transmission Provider or RTO or" and insertion of "the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that the ISO, not the Participating TO, is the relevant Transmission Provider in this context because the ISO is responsible for requesting and compensating for reactive power.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "in accordance with the ISO Tariff" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the deleted language is not relevant in the LGIA, since compensation is covered by the ISO Tariff. Since the ISO Tariff containing these provisions has been approved by the Commission, it is superior to use the standard already set forth there.</p> <p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 12.1	<p>General. Each Party <u>The Participating TO</u> shall submit to the other Party <u>Interconnection Customer</u>, on a monthly basis, invoices of amounts due <u>pursuant to this LGIA</u> for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. <u>Notwithstanding the foregoing, any invoices between the ISO and another Party shall be submitted and paid in accordance with the ISO Tariff.</u></p>	<p>The deletion of "Each Party" and "other Party" and the insertion of "The Participating TO" and "Interconnection Customer" are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because in this case it is only the Participating TO that will be submitting invoices to the Interconnection Customer on a monthly basis under this LGIA. Even if the Participating TO were to owe the Interconnection Customer a refund, the Interconnection Customer should not be obligated to send an invoice to the Participating TO. Rather, the Participating TO would be the party to calculate any overpayment made by the Interconnection Customer, and thus the Participating TO should be obligated to send any refund that it owes without receiving an invoice from the Interconnection Customer. Requiring the Interconnection Customer to invoice the Participating TO does not make sense in this context, would cause confusion, and would place an undue burden on the Interconnection Customer.</p> <p>The insertion of the final sentence stating that all other invoices will be submitted and paid in accordance with the ISO Tariff is a Category 1 change. All invoices other than for charges by the Participating TO to the Interconnection Customer (i.e., for compensation for reactive power) should be submitted under the ISO Tariff, which already has a billing procedure that covers all billings other than those for the facilities being built under this Agreement. This change is superior to the <i>pro forma</i> because without it, there would be two inconsistent billing provisions for the same services – one in the ISO Tariff and one in the LGIA. This would cause customer confusion and could lead to unnecessary disputes.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 12.2	<p>Final Invoice. Within six <u>As soon as reasonably practicable, but within twelve</u> months after completion of the construction of Transmission Provider, the Participating TO's Interconnection Facilities and the, Network Upgrades, Transmission Provider, and Distribution Upgrades, <u>the Participating TO</u> shall provide an invoice of the final cost of the construction of Transmission Provider, the Participating TO's Interconnection Facilities and the, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable <u>the Interconnection Customer</u> to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider, the Participating TO shall refund to <u>the Interconnection Customer</u> any amount by which the actual payment by <u>the Interconnection Customer</u> for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; <u>or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.</u></p>	<p>The deletion of "Within six" and the insertion of "As soon as reasonably practicable, but within twelve" is "consistent with or superior to" the <i>pro forma</i> LGIA. Experience in California has demonstrated that up to twelve months is needed to allow for receipt and review of vendor issued invoices, because vendors often don't supply invoices to the Participating TO for several months. Because it is impossible for the Participating TO to control the actions of the vendors, the Participating TOs need additional time.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout this paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it is necessary to reflect that the Participating TO, not the ISO, is the "Transmission Provider" that will assume responsibility for the construction of the various facilities and thus is the party responsible for submitting the final invoice and refunding any excess funds.</p> <p>The addition of "and Distribution Upgrades" is a Category 3 change. This change is consistent with or superior to the pro forma LGIA because Distribution Upgrades – as well as the Participating TO's Interconnection Facilities and Network Upgrades – is one of the categories of facilities that may need to be built under this Agreement, and thus it must be included in the Agreement. Since the pro forma LGIA does not provide for Distribution Upgrades, it is superior to include language that provides for such facilities to reflect the reality of what will be built under the LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the final clause of this Article is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because there is no provision in the pro forma LGIA concerning what occurs if the cost of construction is greater than the estimated cost of construction. Since the Interconnection Customer is obligated to pay the actual cost of construction, it is superior to include language in the LGIA explicitly giving the Interconnection Customer an obligation to pay any funds not collected within the same time period that the Participating TO must refund any excess amounts collected for construction. This provision is consistent with the intent of the pro forma LGIA, as it simply mirrors the language drafted by the Commission.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 12.3	<p>Payment. Invoices shall be rendered to the paying Party<u>Interconnection Customer</u> at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice<u>Interconnection Customer shall pay, or Participating TO shall refund, the amounts due</u> within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the other Party<u>Interconnection Customer or Participating TO</u>, or by wire transfer to a bank named and account designated by the invoicing Party<u>Interconnection Customer or Participating TO</u>. Payment of invoices by either any Party will not constitute a waiver of any rights or claims either any Party may have under this LGIA.</p>	<p>The changes in this paragraph are "consistent with or superior to" the pro forma LGIA because, as discussed in the explanation to Article 12.1, all invoices rendered under this Agreement shall be from the Participating TO to the Interconnection Customer. Any invoices from the ISO and the Interconnection Customer would necessarily be governed by the ISO Tariff.</p> <p>These changes are also superior to the pro forma LGIA language because they reflect what actually occurs. Even if the Participating TO owes the Interconnection Customer a refund, the Interconnection Customer should not be obligated to send an invoice to the Participating TO. Rather, the Participating TO would be the party to calculate any overpayment by the Interconnection Customer, and thus the Participating TO should be obligated to send any refund that it owes without receiving an invoice by the Interconnection Customer. Requiring the Interconnection Customer to invoice the Participating TO does not make sense in this context, would cause confusion, and would place an undue burden on the Interconnection Customer.</p> <p>These changes are also necessary to reflect that the ISO would not be a party either sending or receiving invoices under this provision, because any ISO billings or payments are handled through the ISO Tariff.</p>
Article 12.4	<p>Disputes. In the event of a billing dispute between Transmission Provider and the Interconnection Customer, Transmission Provider and the Participating TO, the <u>Participating TO and the ISO</u> shall continue to provide Interconnection Service under this LGIA as long as <u>the Interconnection Customer</u>: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider<u>the Participating TO</u> or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If <u>the</u> Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider<u>the Participating TO</u> may provide notice to <u>the</u> Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance<u>accordance</u> with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2) (#) <u>(iii)</u>. <u>Notwithstanding the foregoing, any billing dispute between the ISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.</u></p>	<p>The deletion of "Transmission Provider and" and ", Transmission Provider" and insertion of "and the Participating TO, the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it identifies that both the ISO and the Participating TO must continue to provide Interconnection Service under the LGIA, as long as the Interconnection Customer continues to perform as specified.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" throughout this paragraph is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because only billing disputes with the Participating TO are handled under the LGIA, while billing disputes with the ISO are handled pursuant to the ISO Tariff, as outlined in Article 27 of the LGIA.</p> <p>The change of "accord" to "accordance" is a Category 8 change that is consistent with or superior to the pro forma LGIA.</p> <p>The change of "(ii)" to "(iii)" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it correctly references the section that pertains to all excessive rates or charges held on or after October 1, 1979. This change was accepted by FERC in PacifiCorp (107 FERC 61,318).</p> <p>The addition of the sentence beginning "Notwithstanding the foregoing . . ." is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because the ISO Tariff already has specific procedures for handling disputes with the ISO, and thus Article 27 of the LGIA references those procedures. This change avoids confusion by the Interconnection Customer, and provides that all disputes with the ISO are handled in a consistent fashion.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13	<p>Article 13. ———— Emergencies13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non- discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.13.1 [Reserved]</p>	<p>This deletion of the definition of Emergency Condition in the text of the LGIA is a Category 5 change. The change is consistent with or superior to the pro forma LGIA because the term "Emergency Condition" is already defined in the Definitions section of the LGIA. It is superior to delete it here to avoid confusion and potential disputes because the same term is defined twice in the same agreement.</p>
Article 13.2	<p>Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee <u>set forth in this LGIA.</u></p>	<p>The deletion of "applicable . . . RTO" is a Category 1 change. This change is consistent with or superior to the pro forma LGIA because it simply transforms the pro forma language into language specific to California. Since there is no RTO in California and the ISO is the "applicable" ISO, these changes appropriately clarify the meaning of the contract and are consistent with the Commission's original language.</p> <p>The deletion of "agreed to by the Joint Operating Committee" and insertion of "set forth in this LGIA" is consistent with or superior to the pro forma LGIA for the reasons set forth for the changes to Article 29.1, thus retaining the language would cause confusion and render the Agreement incorrect. The appropriate procedures, etc. are set forth in the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13.3	<p>Notice. Transmission Provider<u>The Participating TO or the ISO</u> shall notify <u>the</u> Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider<u>the Participating TO's</u> Interconnection Facilities or the Transmission System<u>Distribution System or the ISO Controlled Grid, respectively,</u> that may reasonably be expected to affect <u>the</u> Interconnection Customer's operation of the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities. <u>The</u> Interconnection Customer shall notify Transmission Provider<u>the Participating TO and the ISO</u> promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider<u>ISO Controlled Grid or the Participating TO's</u> Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of <u>the</u> Interconnection Customer's or Transmission Provider<u>Participating TO's</u> facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, <u>if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the ISO may be publicly posted on the ISO's internet web site.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO or the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because either the ISO or the Participating TO must notify the Interconnection Customer if either becomes aware of an Emergency Condition; thus, both the ISO and the Participating TO are the appropriate Transmission Providers in this context.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the Interconnection Facilities in question are the Participating TO's.</p> <p>The deletion of "the Transmission System" and insertion of "Distribution System or the ISO Controlled Grid, respectively," and deletion of "Transmission System or Transmission Provider" and insertion of "ISO Controlled Grid or the Participating TO" are Category 3 changes. These changes are consistent with or superior to the pro forma LGIA because in California the Participating TOs operate their own Distribution Systems and the ISO operates the ISO Controlled Grid. If there is an Emergency Condition that is expected to affect either system, the relevant party must notify the other parties.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO and the ISO" is a Category 2 and 6 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer, if it becomes aware of an Emergency Condition, must notify <u>both</u> the ISO and the relevant Participating TO. This is necessary for reliability of the ISO Controlled Grid and the Distribution System, and thus it is a necessary alteration to the LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the facilities in question are the Participating TO's.</p> <p>The insertion of "if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the ISO may be publicly posted on the ISO's internet web site" is consistent with or superior to the pro forma LGIA. The current practice for notifying customers about the nature of Emergency Conditions in California is for the ISO to post such information on its public website. Because this is a public website, this is superior so that all participants in the market can see what the Emergency Condition is. If, however, a party requests it, the other relevant party will be required to send such notice. To ease unnecessary administrative burdens upon operating personnel, such written notice will be provided only if requested, and e-mails or faxes will constitute written notice.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13.4	<p>Immediate Action. Unless, in <u>the</u> Interconnection Customer's reasonable judgment, immediate action is required, <u>the</u> Interconnection Customer shall obtain the consent of Transmission Provider <u>the ISO and the Participating TO</u>, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System declared by the Participating TO or ISO or in response to any other emergency condition.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the ISO and the Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because the Interconnection Customer should be required to obtain the consent of both the ISO and the Participating TO prior to performing any manual switching operation, unless immediate action is required. Reliability concerns make it necessary for the Interconnection Customer to obtain the consent of both the ISO and the Participating TO.</p> <p>The deletion of "either declared by Transmission Provider or otherwise regarding the Transmission System" and the insertion of "declared by the Participating TO or ISO or in response to any other emergency condition" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that the provision applies to any Emergency Condition, whether it be declared by the Participating TO or the ISO or not.</p>
Article 13.5	<p>Transmission Provider ISO and Participating TO Authority.</p>	<p>The deletion of "Transmission Provider" and insertion of "ISO and Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it appropriately identifies that the Transmission Provider in this context is both the ISO and the Participating TO.</p>
Article 13.5.1	<p>13.5.1 General. Transmission Provider <u>The ISO and Participating TO</u> may take whatever actions or inactions, <u>including issuance of dispatch instructions</u>, with regard to the Transmission System or Transmission Provider <u>ISO Controlled Grid or the Participating TO's Interconnection Facilities it deems or Distribution System they deem</u> necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider <u>ISO Controlled Grid or the Participating TO's Interconnection Facilities, or Distribution System</u>, and (iii) limit or prevent damage, and (iv) expedite restoration of service.</p>	<p>The deletion of "Transmission Provider" and insertion of "The ISO and Participating TO" is a Category 2 and Category 6 change. This change is consistent with or superior to the pro forma LGIA because it is necessary for the safety and reliability of the ISO Controlled Grid, the various interconnection facilities and the Distribution System that both the ISO and the Participating TO be able to take whatever actions are necessary during an Emergency Condition to preserve public health and safety and the reliability of the Grid.</p> <p>The insertion of "including issuance of dispatch instructions" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it clarifies that all dispatch instructions must be followed during an Emergency Condition. This is a necessary clarification for the reliability of the grid.</p> <p>The deletion of "Transmission System or Transmission Provider" and the insertion of "ISO Controlled Grid or the Participating TO . . . or Distribution System" throughout this paragraph is a Category 2, Category 5, and Category 6 change. This change is consistent with or superior to the pro forma LGIA because it specifies that the transmission systems in question are the ISO Controlled Grid, as well as the Distribution System of the Participating TO. The reliability of each of these systems, as well as the Participating TO's Interconnection Facilities, must be preserved; therefore, this change is necessary.</p> <p>The deletion of "it deems" and the insertion of "or Distribution System they deem" is a Category 6 change. This change is consistent with or superior to the pro forma LGIA because it properly identifies that the reliability of the Distribution System must be preserved during an Emergency Condition. The insertion of "or Distribution System, and " is also a Category 6 change for the same reason.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13.5.1	<p>Transmission Provider<u>The Participating TO and the ISO</u> shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities. Transmission Provider<u>The Participating TO or the ISO</u> may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing <u>the</u> Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing <u>the</u> Interconnection Customer to assist with blackstart<u>black start</u> (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and <u>the</u> Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider<u>the ISO's and Participating TO's</u> operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.</p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO and the ISO" or "the Participating TO or the ISO" is a Category 2 and Category 6 change. This change is consistent with or superior to the pro forma LGIA because it reflects the reality that both the Participating TO and the ISO may take action during an Emergency Condition, and that both must use Reasonable Efforts to minimize the effect of such actions. This change benefits the Interconnection Customer because it specifies that the obligation to use such reasonable efforts applies to both the Participating TO and the ISO. Later in the paragraph, the deletion of "Transmission Provider" and the insertion of "the ISO's and Participating TO" is necessary to specify that for reliability reasons, the Interconnection Customer must comply with all of the ISO's and the Participating TO's operating instructions.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The change of "blackstart" to "black start" is a Category 8 change which is consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13.5.2	<p>Reduction and Disconnection. Transmission Provider<u>The Participating TO or the ISO</u> may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider<u>the ISO</u> pursuant to Transmission Provider's<u>the ISO</u> Tariff. When Transmission Provider<u>the ISO or Participating TO</u> can schedule the reduction or disconnection in advance, Transmission Provider<u>the ISO or Participating TO</u> shall notify the Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider<u>The ISO or Participating TO</u> shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and Transmission Provider<u>the ISO and Participating TO</u>. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System<u>ISO Controlled Grid</u> to their normal operating state as soon as practicable consistent with Good Utility Practice.</p>	<p>The deletion of "Transmission Provider" and insertion of "The Participating TO or the ISO" or "the ISO or Participating TO" or "The ISO or Participating TO" or "the ISO and Participating TO" is a Category 2 and Category 6 change throughout the paragraph. This change is consistent with or superior to the pro forma LGIA because it reflects that either the Participating TO or the ISO, as Interconnection Service providers, must be able to reduce service or disconnect the facilities in the event of an emergency. This change is necessary for reliability reasons, as both parties must be able to perform this function. This change also reflects that both the ISO and the Participating TO, as applicable, must coordinate any such reduction or disconnection with the Interconnection Customer, according to Good Utility Practice to have the least impact the operations of the Interconnection Customer.</p> <p>The deletion of "Transmission Provider" and "Transmission Provider's" and insertion of "the ISO" in the second sentence are Category 2 changes. These changes are consistent with or superior to the pro forma LGIA because they specify that the rights of the Participating TO and ISO to reduce service or disconnect are separate and distinct from any right of curtailment of the ISO pursuant to the ISO Tariff. Since the Participating TO does not provide Transmission Service, it does not have any curtailment rights, and thus the ISO is the appropriate Transmission Provider to be inserted into this sentence.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission System" and the insertion of the "ISO Controlled Grid" is a Category 1 and Category 2 change. This change is consistent with or superior to the pro forma LGIA because it accurately reflects that the transmission system in question is the entire ISO Controlled Grid.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 13.6	<p>Interconnection Customer Authority. Consistent with Good Utility Practice, <u>this LGIA,</u> and the LGIA and the LGIP, ISO Tariff, the Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or <u>the</u> Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider <u>ISO Controlled Grid and the Participating TO's</u> Interconnection Facilities. Transmission Provider <u>The ISO and Participating TO</u> shall use Reasonable Efforts to assist Interconnection Customer in such actions.</p>	<p>The deletion of "LGIA and the LGIP" and insertion of "this LGIA," and "ISO Tariff, the" is a Category 1 and Category 6 change. This change is consistent with or superior to the pro forma LGIA because it is necessary that the Interconnection Customer must comply with the entire ISO Tariff (not just the LGIP, which is part of the ISO Tariff, and thus included already) when taking any actions under this provision. The Interconnection Customer must be required to comply with the ISO Tariff in order to maintain the reliability of the ISO Controlled Grid and for safety purposes.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission System and Transmission Provider" and insertion of the "ISO Controlled Grid and the Participating TO" is a Category 1 and Category 2 change. This change is consistent with or superior to the pro forma LGIA because it is simply identifying the relevant Transmission System – the ISO Controlled Grid – and it is identifying that the Interconnection Facilities in question are the Participating TO's facilities.</p> <p>The deletion of "Transmission Provider" and the insertion of "The ISO and Participating TO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it requires both the ISO and Participating TO – both of whom have the right to take various actions in an emergency – to use Reasonable Efforts to assist the Interconnection Customer. It is appropriate that this obligation apply to both the ISO and the Participating TO, since both parties have corresponding rights under this provision.</p>
Article 13.7	<p>Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither <u>no</u> Party shall be liable to the any <u>any</u> other <u>Party</u> for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.</p>	<p>The changes to this paragraph are Category 9 changes, which are consistent with or superior to the LGIA because they reflect the three party nature of the LGIA.</p>
Article 14.1	<p>Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require <u>the</u> Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, <u>or</u> the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of ", or" is a Category 8 change. This change is consistent with the pro forma LGIA because it does not alter the meaning of the LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 15.1	<p>General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other <u>another</u> and any instrument required or permitted to be tendered or delivered by either Party in writing to the other <u>another</u> shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.</p>	<p>These modifications are Category 9 changes. This change is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities -- and the Interconnection Customer and notice, demand or request would accordingly be provided to more than two parties.</p>
Article 15.1	<p>Either <u>A Party must update the information in Appendix F as information changes.</u> A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.</p> <p><u>Such changes shall not constitute an amendment to this LGIA.</u></p>	<p>The deletion of "Either" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having distinct interconnection service responsibilities -- and the Interconnection Customer and any of these three parties must be required to update Appendix F.</p> <p>The remaining modifications are Category 5 changes. By clarifying that changes to Appendix F pertaining to notices will not constitute an amendment, the instant LGIA avoids the necessity for a filing at FERC in connection with purely administrative matters involving change to notice information and thereby enhances the administrative efficiency of the LGIA and is superior to the pro forma LGIA.</p>
Article 15.3	<p>Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other <u>another</u> and</p> <p>not required by this Agreement <u>LGIA</u></p> <p>to be given in writing may be so given by telephone, facsimile or email <u>e-mail</u> to the telephone numbers and email <u>e-mail</u> addresses set out in Appendix F.</p>	<p>The deletion of "the other" and insertion of "another" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having distinct interconnection service responsibilities -- and the Interconnection Customer and any of these parties must be allowed to use alternative forms of notice.</p> <p>The deletion of "Agreement" and insertion of "LGIA" is a Category 5 change. This change causes the newly defined term "LGIA" to be used consistently throughout the agreement, unlike the pro forma LGIA that utilized the defined term "Agreement" and the undefined term "LGIA". This change is therefore consistent with or superior to the pro forma LGIA because it anticipates and prevents needless confusion or disputes.</p> <p>The deletion of "email" and the insertion of "e-mail" is a Category 8 change. This change is consistent with the pro forma LGIA because it does not alter the meaning of the LGIA.</p>
Article 15.4	<p>Operations and Maintenance Notice . Each Party shall notify the other Party <u>Parties</u> in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.</p>	<p>The deletion of "Party" and the insertion of "Parties" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities -- and the Interconnection Customer and operations and maintenance notices must be provided to each of these parties.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 16.1.2	<p>NeitherNo Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this articleArticle shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.</p>	<p>The deletion of "Neither" and the insertion of "No" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities -- and the Interconnection Customer.</p> <p>The substitution of "Article" for "article" is a Category 8 change. This change is consistent with the pro forma LGIA because it does not alter the meaning of the LGIA.</p>
Article 17.1.1	<p>17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the affected non-breachingBreaching Party(ies) shall give written notice of such Breach to the breachingBreaching Party. Except as provided in Article 17.1.2, the breachingBreaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breachingBreaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.</p>	<p>The deletion of "of" and the insertion of "or" is a Category 8 change, which is consistent with or superior to the pro forma LGIA because the change recognizes that no default exists when a failure to discharge an obligation is the result both of an act as well as an act of "omission".</p> <p>The addition of references to the defined term "Breaching Party" and the addition of the word "affected" prior to "non-Breaching Party" are category 5 changes because they provide clarity as to which entities have specific rights and obligations in a Default situation. The addition of the word "affected" prior to "non-Breaching Party" removes any obligation upon unaffected parties in the event of a Default. These clarifications enhance administrative efficiency and prevent conflicts and disputes and are therefore superior to the pro forma LGIA.</p>
Article 17.1.2	<p>Right to Terminate. If a Breach is not cured as provided in this articleArticle, or if a Breach is not capable of being cured within the period provided for herein, the affected non-breachingBreaching Party(ies) shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not thatsuch Party(ies) terminates this LGIA, to recover from the breachingBreaching 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 articleArticle will survive termination of this LGIA.</p>	<p>The substitution of "Article" for "article" is a Category 8 change. This change is consistent with the pro forma LGIA because it does not alter the meaning of the LGIA.</p> <p>The addition of references to the defined term "Breaching Party" and the addition of the word "affected" prior to "non-Breaching Party" are category 5 changes because they provide clarity as to when a specified entity has the right to terminate. These changes enhance administrative efficiency and prevent conflicts and disputes and, therefore, are superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18.1	<p>Indemnity. The Parties <u>Each Party</u> shall at all times indemnify, defend, and hold the other Party <u>Parties</u> 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. <u>Losses</u> arising out of or resulting from the other <u>another</u> Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.</p>	<p>The deletion of "The Parties" and the insertion of "Each Party" is a Category 5 and Category 9 change. This change both clarifies that the legal obligation to indemnify extends to each party individually, not collectively, and recognizes that this is a three party agreement among h the ISO and the PTO -- each having distinct interconnection service responsibilities -- and the Interconnection Customer. This change is therefore superior to the pro forma LGIA.</p> <p>The removal of the phrase "damages, losses, claims" etc., and the addition of the defined term "Losses", is a Category 5 changes. These changes eliminate the redundant use of this phrase because the definition of the term "Losses" includes this description. Further, the insertion of the defined term "Losses" provides clarity in regards the types of damages for which any party may be obligated to provide an indemnify. These changes enhance administrative efficiency and reduce the potential for conflicts and disputes and are therefore superior to the pro forma LGIA.</p> <p>The deletion of the words "the other" and the insertion of "another" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities -- and the Interconnection Customer.</p>
Article 18.1.1	<p>Indemnified PersonParty. If an Indemnified Person <u>indemnified Party</u> is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person <u>indemnified Party</u> 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.</p>	<p>The deletion of "Person" and the insertion of "Party" is a Category 7 change. This change replaces references in the pro forma LGIA to the undefined term "Indemnified Person" with "indemnified Party". This change eliminates a term that is not defined in the pro forma LGIA and is superior to the pro forma LGIA. This change will reduce confusion and eliminate disputes about who is being referred to in this paragraph.</p>
Article 18.1.2	<p>Indemnifying Party. If an Indemnifying <u>indemnifying</u> Party is obligated to indemnify and hold any Indemnified Person <u>indemnified Party</u> harmless under this Article 18, the amount owing to the Indemnified Person <u>indemnified Party</u> shall be the amount of such Indemnified Person <u>indemnified Party's</u> actual Loss, net of any insurance or other recovery.</p>	<p>The deletion of "Person" and the insertion of "Party" is a Category 7 change. This change replaces reference in the pro forma LGIA to the undefined term "Indemnified Person" with "indemnified Party". This change eliminates a term that is not defined in the pro forma LGIA and is superior to the pro forma LGIA. This change will reduce confusion and eliminate disputes about who is being referred to in this paragraph.</p>
Article 18.1.3	<p>Indemnity Procedures. Promptly after receipt by an Indemnified Person <u>indemnified Party</u> of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person <u>indemnified Party</u> shall notify the Indemnifying <u>indemnifying</u> 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.</p>	<p>The deletion of "Person" and the insertion of "Party" is a Category 7 change. This change replaces references in the pro forma LGIA to the undefined term "Indemnified Person" with "indemnified Party". This change eliminates a term that is not defined in the pro forma LGIA and is therefore superior to the pro forma LGIA. This change will reduce confusion and eliminate disputes about who is being referred to in this paragraph.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18.1.3	<p>The Indemnifying<u>indemnifying</u> Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying<u>indemnifying</u> Party and reasonably satisfactory to the Indemnified Person<u>indemnified Party</u>. If the defendants in any such action include one or more Indemnified Persons<u>indemnified Parties</u> and the Indemnifying<u>indemnifying</u> Party and if the Indemnified Person<u>indemnified Party</u> reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons<u>indemnified Parties</u> which are different from or additional to those available to the Indemnifying<u>indemnifying</u> Party, the Indemnified Person<u>indemnified Party</u> shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying<u>indemnifying</u> Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons<u>indemnified Party or indemnified Parties</u> having such differing or additional legal defenses.</p>	<p>The deletion of "Person" and the insertion of "Party" is a Category 7 change. This change replaces references in the pro forma LGIA to "Indemnified Person", which is not a defined term, with "indemnified Party". This change eliminates a term that is not defined in the pro forma LGIA and is therefore superior to the pro forma LGIA. This change will reduce confusion and eliminate disputes about who is being referred to in this paragraph.</p>
Article 18.1.3	<p>The Indemnified Person<u>indemnified Party</u> shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying<u>indemnifying</u> Party. Notwithstanding the foregoing, the Indemnifying<u>indemnifying</u> Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person<u>indemnified Party</u> and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person<u>indemnified Party</u>, or there exists a conflict or adversity of interest between the Indemnified Person<u>indemnified Party</u> and the Indemnifying<u>indemnifying</u> Party, in such event the Indemnifying<u>indemnifying</u> Party shall pay the reasonable expenses of the Indemnified Person<u>indemnified Party</u>, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person<u>indemnified Party</u>, which shall not be reasonably<u>unreasonably</u> withheld, conditioned or delayed.</p>	<p>The deletion of "Person" and the insertion of "Party" is a Category 7 change. This change replaces references in the pro forma LGIA to "Indemnified Person", which is not a defined term, with "indemnified Party". This change eliminates a term that is not defined in the pro forma LGIA and is therefore superior to the pro forma LGIA. This change will reduce confusion and eliminate disputes about who is being referred to in this paragraph.</p> <p>The deletion of the word "reasonably" and insertion of "unreasonably" is a Category 5 change. This change corrects an error in the pro forma LGIA that, if left unchanged, will inappropriately reverse the meaning intended by FERC. This change, which will eliminate the potential for conflicts and disputes, is superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18. 2	<p>Liquidated Damages Consequential Damages. Other than the <u>liquidated damages</u> heretofore described;</p> <p><u>in Article 5.3</u>, in no event shall</p> <p>either any <u>any</u> Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other <u>another</u> Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.</p>	<p>The deletion of "Liquidated Damages" and the insertion of "liquidated damages" and the insertion of "in Article 5.3" are Category 7 changes. These changes eliminates a term that is not defined in the pro forma LGIA and use a more accurate description of liquidated damages and are therefore superior to the pro forma LGIA. Instead of capitalizing an undefined term – which could lead to disputes – it is superior to insert "in Section 5.3" to point the Parties to the description of liquidated damages. This change enhances administrative efficiency and reduces the potential for conflicts and disputes and is therefore superior to the pro forma LGIA.</p> <p>The deletion of "either" and insertion of "any" and the deletion of "the other" and the insertion of "another" are Category 9 changes, which are consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities – and the Interconnection Customer.</p>
Article 18.3	<p>party Insurance. Each <u>Party</u> shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party <u>Parties</u>, the following minimum insurance coverages,</p> <p>with insurers <u>rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and</u> authorized to do business in the state where the Point of Interconnection is located</p> <p><u>, except in the case of the ISO, the State of California:</u></p>	<p>The deletion of "party" and insertion of the defined term "Party" is a Category 5 change, which is superior to the pro forma LGIA because it reflects defined terms.</p> <p>The addition of specific rating requirements for insurers is a Category 5 change because it provides specificity and increases the likelihood of payout should there be an insured claim since not all insurers authorized to do business in a state meet such minimum financial requirements. This change, which provides financial assurances to each party that adequate insurance is available from a financially secure entity in the event of a claim, is therefore superior to the pro form LGIA.</p> <p>The phrase "except in the case of the ISO, the State of California" is a Category 5 change because the ISO does not do business outside the State of California and would not have Worker's Compensation Insurance in accordance with the laws of another state if that is where the Point of Interconnection is located (e.g., Arizona).</p>
Article 18.3.1	<p>Employers 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</p> <p><u>, except in the case of the ISO, the State of California.</u></p>	<p>Deletion of "Employers" and insertion of "Employer's" is a Category 8 change that is grammatical correction. This change is comparable with or superior to the pro forma LGIA.</p> <p>The phrase "except in the case of the ISO, the State of California" is a Category 5 change because the ISO does not do business outside the State of California and would not have Worker's Compensation Insurance in accordance with the laws of another state if that is where the Point of Interconnection is located (e.g., Arizona).</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18.3.3	Comprehensive <u>Business</u> 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) per occurrence for bodily injury, including death, and property damage.	Deletion of "Comprehensive" and insertion of "Business" is a Category 5 change to correctly describe the name for the automobile liability insurance that is presently available rather than the anachronistic term "Comprehensive" Automobile Insurance which is not used in California. This change, which enhances administrative efficiency and reduces the potential for disputes, is superior to the pro forma LGIA.
Article 18.3.4	Excess Public Liability Insurance over and above the Employers' <u>Employer's</u> Liability Commercial General Liability and Comprehensive <u>Business</u> Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.	Deletion of "Comprehensive" and insertion of "Business" is a Category 5 change to correctly describe the name for the automobile liability insurance that is available rather than the anachronistic term "Comprehensive" Automobile Insurance which is not used in California. This change, which enhances administrative efficiency and reduces the potential for disputes, is superior to the pro forma LGIA.
Article 18.3.5	<p>The Commercial General Liability Insurance, Comprehensive<u>Business</u> Automobile Insurance and Excess Public Liability Insurance policies shall name the</p> <p>other Party, its parent<u>Parties, their parents,</u> associated and Affiliate companies and their 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 LGIA against the Other Party Group</p> <p>and provide thirty (30) days<u>Calendar Days</u> advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.</p>	<p>The deletion "Comprehensive" and insertion of "Business" to is a Category 5 change to correctly describe the name for the automobile liability insurance that is available today rather than the anachronistic term "Comprehensive" Automobile Insurance which is not used in California. This change, which enhances administrative efficiency and reduces the potential for disputes, is superior to the pro forma LGIA.</p> <p>The deletion of "Party, its parent" and insertion of "other Parties, their parents," is a Category 9 change because the proposed LGIA is a three party agreement and insurance obligations may extend to more than one other party or parent thereof. This change is therefore superior to the pro forma LGIA.</p> <p>The deletion of "days" and insertion of the defined term "Calendar Days" is a Category 5 change because it clarifies the timing of notice requirements. Without this clarification, it is unclear whether Calendar or Business Days are the relevant measurement, and this could lead to disputes. This change, which enhances administrative efficiency and reduce the potential for conflicts or disputes, is superior to the pro forma LGIA.</p>
Article 18.3.6	<p>The Commercial General Liability Insurance, Comprehensive<u>Business</u> Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage</p> <p>as though a separate policy had been issued<u>issued</u> 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.</p>	<p>Delete "Comprehensive" and insert "Business" is a Category 5 change to correctly describe the name for the automobile liability insurance that is available today rather than the anachronistic term "Comprehensive" Automobile Insurance which is not used in California. This change, which enhances administrative efficiency and reduces the potential for disputes, is superior to the pro forma LGIA.</p> <p>The deletion of "issues" and the insertion of "issued" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because is does not alter the meaning of the LGIA and is grammatically correct.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18.3.7	The Commercial General Liability Insurance, Comprehensive <u>Business</u> 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 LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.	Delete "Comprehensive" and insert "Business" is a Category 5 change to correctly describe the name for the automobile liability insurance that is available today rather than the anachronistic term "Comprehensive" Automobile Insurance which is not used in California. This change enhances administrative efficiency and reduces the potential for disputes, which is superior to the pro forma LGIA.
Article 18.3.9	Within ten (10) days <u>Calendar Days</u> following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days <u>Calendar Days</u> thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.	The deletion of "days" and insertion of the defined term "Calendar Days" is a Category 5 change because it clarifies the timing of notice requirements to enhance administrative efficiency and reduce the potential for conflicts or disputes. Without this clarification, it is unclear whether Calendar or Business Days are the relevant measurement, and this could lead to disputes. This change is superior to the pro forma LGIA.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 18.3.10	<p>Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade <u>unsecured debt or issuer</u></p> <p><u>rating is BBB-</u> or better</p> <p><u>as rated</u> by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8.</p> <p>For any period of time that a Party's senior secured debt is <u>unsecured debt rating and issuer rating are both</u> unrated by Standard & Poor's or are both <u>are both</u> rated</p> <p>at less than investment grade <u>BBB-</u> by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this</p> <p>article, <u>Article 18.3.10,</u> it shall notify the</p> <p>other Party Parties <u>Parties</u> that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.</p>	<p>The deletion of "secured debt" and insertion of "unsecured debt rating or issuer" is a Category 5 change because the rating of an entity's unsecured debt as well as the rating of the issuer are both the relevant factors rather than the secured debt of the issuer for purposes of this provision and is, therefore, superior to the pro forma LGIA. Moreover, since the provision applies to all parties and more accurately reflects the financial reality in California, it is consistent with or superior to the pro forma LGIA.</p> <p>The deletion of "is rated at investment grade" and insertion of "or issuer rating is BBB-" is a Category 5 change that does not change the meaning of the LGIA because the financial community defines "investment grade" as BBB- and by adding specificity anticipates and prevents disputes. It is therefore superior to the pro forma LGIA.</p> <p>The addition of the term "as rated" is a Category 5 change because it does not change the meaning of the LGIA and adds clarity as to the function performed by "Standard & Poor's". It is therefore superior to the pro forma LGIA.</p> <p>The deletion of "secured debt" and insertion of "unsecured debt rating or issue rating are both" and deletion of "is" and insertion of "are" are Category 5 changes because the rating of an entity's unsecured debt as well as the rating of the issuer are both the relevant factors rather than the secured debt of the issuer for purposes of this provision and is, therefore, superior to the pro forma LGIA.</p> <p>The deletion of "investment grade" and insertion of "BBB-" is a Category 5 change that does not change the meaning of the LGIA because the financial community defines "investment grade as BBB- and by adding specificity anticipates and prevents disputes. It is therefore superior to the pro forma LGIA.</p> <p>The deletion of "this article" and the insertion of "this Article 18.3.10" is a Category 5 change. Because it is more precise and anticipates and prevents disputes, this change is superior to the pro forma LGIA.</p> <p>The deletion of "Party" and insertion of "Parties" is a Category 9 change to reflect that the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 19.1	<p>Assignment. This LGIA may be assigned by either a Party only with the written consent of the other Parties; provided that either a Party may assign this LGIA without the consent of the other Party <u>Parties</u> to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider <u>the ISO or Participating TO</u>, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify Transmission Provider <u>the ISO and Participating TO</u> of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this article <u>Article</u> will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider <u>the ISO and Participating TO</u> of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider <u>ISO and Participating TO</u> with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article <u>Article</u> is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.</p>	<p>The deletion of "either" and insertion of "a", the deletion of "Party" and insertion of "Parties", the deletion of "Transmission Provider" and insertion of "the ISO and Participating TO are Category 9 changes because the proposed LGIA is a three party agreement and rights and obligations associated with assignment involve more than one other party. This change is therefore superior to the pro forma LGIA.</p> <p>The insertion of "the" and the deletion of "article" and insertion of "Article" are Category 5 changes because they add clarity but do not alter the meaning of the LGIA and are therefore comparable with or superior to the pro forma LGIA.</p>
Article 20.1	<p>Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider <u>the Participating TO or ISO</u>) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these <u>the</u> provisions</p> <p><u>of Article 5.1.2 or 5.1.4</u> shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "the Participating TO or ISO" is a Category 9 change because the proposed LGIA is a three party agreement among the ISO and the PTO -- each having interconnection service responsibilities -- and the Interconnection Customer. This change is therefore superior to the pro forma LGIA.</p> <p>The addition of the term "of Article 5.1.2 or 5.1.4" is a Category 5 change because it adds clarity as to which referenced provisions will in the stated circumstances no longer have "any force or effect". This clarification enhances administrative efficiency, anticipates and prevents disputes and is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 22.1	Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either <u>any</u> of the Parties to the other <u>Parties</u> prior to the execution of this LGIA.	The deletion of "either" and "Party" and insertion of "any" and "Parties" are Category 9 changes because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.
Article 22.1	Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party <u>Parties</u> receiving the information that the information is confidential.	The deletion of "Party" and insertion of "Parties" is a Category 9 change because the proposed LGIA is a three party agreement with the ISO and the PTO. This change is therefore superior to the pro forma LGIA.
Article 22.1	If requested by either <u>any</u> Party, the other Party <u>Parties</u> shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.	The deletion of "either" and "Party" and insertion of "any" and "Parties" are Category 9 changes because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.
Article 22.1.2	<p>Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-<u>confidential</u> basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the<u>this</u> LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA.</p> <p>Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party<u>Parties</u> that it no longer is confidential.</p>	<p>The deletion of "the" and insertion of "this" is a Category 8 change. Because it clarifies that it is the signed LGIA that governs the relations among three parties and does not alter the meaning of the LGIA it is superior to the pro forma LGIA.</p> <p>The deletion of "Party" and insertion of "Parties" is a Category 9 change because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 22.1.3	<p>Release of Confidential Information. Neither<u>No</u> Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements <u>set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358</u>), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.</p>	<p>The deletion of "Neither" and insertion of "No" is a Category 9 change because the proposed LGIA is a three party agreement and rights and obligations associated with the release of confidential information will involve more than one other party. This change is therefore superior to the pro forma LGIA.</p> <p>The movement of the phrase "employees, consultants, before "Affiliates" is a Category 8 change that does not alter the meaning of the LGIA and is therefore consistent with the pro forma LGIA.</p> <p>Insertion of the references to applicable FERC regulations is a Category 5 change because this change adds specificity while not changing the meaning of the LGIA. This change, which anticipates and prevents disputes as to what confidential information may be shared with Affiliates except to the extent FERC's Standards of Conduct would prohibit such sharing. is therefore consistent with the pro forma LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 22.1.4	<p>Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party<u>Parties</u>. The disclosure by each Party to the other Party<u>Parties</u> of Confidential Information shall not be deemed a waiver by either a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.</p>	<p>The deletion of "Party", the insertion of "Parties" and the deletion "either" and insertion of "a" are Category 9 changes because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>
Article 22.1.5	<p>No Warranties. By providing<u>The mere fact that a Party has provided</u> Confidential Information, neither Party makes any warranties or representations does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information,</p> <p>neither<u>no</u> Party obligates itself to provide any particular information or Confidential Information to the other Party<u>Parties</u> nor to enter into any further agreements or proceed with any other relationship or joint venture.</p>	<p>The substitution of the phrase "The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation" in place of "By providing Confidential Information, neither Party makes any warranties or representations" is a Category 5 change. This change sets forth a more accurate description that it is fact that a Party has provided the Confidential Information that does not constitute a warranty or representation as to the accuracy of the information. This change, which anticipates and prevents disputes, is therefore consistent with or superior to the pro forma LGIA.</p> <p>The deletion of "neither" and insertion of "no" and deletion of "Party" and insertion of "Parties" are Category 9 changes because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>
Article 22.1.6	<p>Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party<u>Parties</u> under this LGIA or its regulatory requirements.</p>	<p>The deletion of "Party" and insertion of "Parties" is a Category 9 change because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 22.1.7	<p>Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either<u>any</u> Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party<u>Parties</u> with prompt notice of such request(s) or requirement(s) so that the other Party<u>Parties</u> may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.</p>	<p>The deletion of "either" and insertion of "any" and deletion of "Party" and insertion of "Parties" are Category 9 changes because the proposed LGIA is a three party agreement. These changes are therefore superior to the pro forma LGIA.</p>
Article 22.1.8	<p>Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other<u>another</u> Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.</p>	<p>The deletion of "the other" and insertion of "another" is a Category 9 change because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>
Article 22.1.9	<p>Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other<u>another</u> Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party<u>Parties</u> shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.</p>	<p>The deletion of "the other" and insertion of "another" and the deletion of "Party" and insertion of "Parties" are Category 9 changes because the proposed LGIA is a three party agreement. This change is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 22.1.10	<p>Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFRC.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFRC.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other</p> <p>Party<u>Parties</u> to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party<u>Parties</u> to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either<u>any</u> of the Parties may respond before such information would be made public, pursuant to 18 CFRC.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with the applicable state rules and regulations.</p>	<p>The substitution of the acronym “CFR” with “C.F.R.” is a Category 8 change that does not alter the meaning of the LGIA and is therefore consistent with the pro forma LGIA.</p> <p>The deletion of “either” and insertion of “any” and the deletion of “Party” and insertion of “Parties” are Category 9 changes because the proposed LGIA is a three party agreement and rights and obligations associated with respect to the termination of the LGIA will involve more than one other party. This change is therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 22.1.11	<p>Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other</p> <p>Party<u>Parties</u> to any person not employed or retained by the other Party<u>Parties</u>, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party<u>Parties</u>, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party<u>Parties</u> in writing of the information it claims is confidential. Prior to any disclosures of the other<u>another</u> Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.</p>	<p>Deletion of the language preceding the defined term "Confidential Information" is a Category 5 change. The term "Confidential Information" is already a defined term in the LGIA, thus, this change eliminates an inconsistency between the definition of "Confidential Information" contained in Article 1 and the description of "Confidential Information" provided in Article 22.1.11. This change removes confusion as to what constitutes Confidential Information under the LGIA. This change, which enhances administrative efficiency and reduces the potential for disputes, is therefore superior to the pro forma LGIA.</p> <p>The deletion of "Party" and insertion of "Parties" and the deletion of "the other" and insertion of "another" are Category 9 changes because the proposed LGIA is a three party agreement and rights and obligations associated with respect to the termination of the LGIA will involve more than one other party. These changes are therefore superior to the pro forma LGIA.</p>
Article 23.1	<p>Each Party shall notify the other Party<u>Parties</u>, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party<u>Parties</u>. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party<u>Parties</u> copies of any publicly available reports filed with any Governmental Authorities addressing such events.</p>	<p>The deletion of "Party" and insertion of "Parties" is a Category 9 change because the proposed LGIA is a three party agreement and rights and obligations associated with respect to the termination of the LGIA will involve more than one other party. These changes are therefore superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 24.1	<p>Information Acquisition. Transmission Provider and <u>The Participating TO and the Interconnection Customer</u> shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.</p>	<p>The deletion of "Transmission Provider" and insertion of "the Participating TO and the" is a Category 9 change because the proposed LGIA is a three party agreement and rights and obligations associated with information acquisition contemplated by Article 24.1 involves in this instance only the Participating TO and not the ISO. This change is therefore superior to the pro forma LGIA.</p>
Article 24.2	<p>Information Submission by Transmission Provider Participating TO. The initial information submission by Transmission Provider <u>the Participating TO</u> shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include <u>the Participating TO's</u> Transmission System information necessary to allow <u>the</u> Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties <u>Participating TO and the Interconnection Customer</u>. On a monthly basis Transmission Provider <u>the Participating TO</u> shall provide <u>the</u> Interconnection Customer <u>and the ISO</u> a status report on the construction and installation of Transmission Provider <u>the Participating TO's</u> Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report"; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.</p>	<p>The deletion of "Transmission Provider" throughout this Article 24.2 and insertion of "Participating TO" is a Category 2 change because the LGIA in this context contemplates disclosure by the Participating TO -- not the ISO -- of this information to the Interconnection Customer as well as the ISO. This change is therefore superior to the pro forma LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of "and the ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.</p>
Article 24.3	<p>Updated Information Submission by Interconnection Customer. The updated information submission by <u>the</u> Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. <u>The</u> Interconnection Customer shall submit a completed copy of the Large Electric <u>Electric</u> Generating Facility <u>Unit</u> data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study <u>the Participating TO and the ISO for the Interconnection Studies</u>. Information in this submission shall be the most current Large Electric <u>Electric</u> Generating Facility <u>Unit</u> design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider <u>the Participating TO and ISO</u> standard models. If there is no compatible model, <u>the</u> Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.</p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The substitution of "Electric Generating Unit" in place of "Large Generating Facility" throughout this Article 24.3 is a Category 5 change to utilize a newly defined that that is used to account for the multiple units, including protections devices, meters, transformers and appurtenant equipment, that together on one site make up the Generating Facilities. This change is more precise and prevents disputes that otherwise would arise in situations where there are more than one Electric Generating Unit on one site. This change therefore is superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO and the ISO" is a Category 9 change. In this context the change specifies that the Interconnection Customer must submit updated information pertaining to the Electric Generating Unit both to the ISO and the Participating TO – each performing different aspects of interconnection service, including stability modeling.. This change, which anticipates and prevents disputes, is therefore superior to the pro forma LGIA.</p> <p>The deletion of "Feasibility and Facilities Study", which is an undefined term not used in the pro forma LGIA, and insertion of "Interconnection Studies", which is a defined term in the pro forma LGIA, and is a Category 1 and Category 7 change. This change, which avoids ambiguity and prevents disputes while not changing the meaning of the LGIA, is consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 24.3	<p>If the Interconnection Customer's data is materially different from what was originally provided to</p> <p>Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider <u>Participating TO and the ISO</u></p> <p><u>for the Interconnection Studies, then the Participating TO and the ISO</u></p> <p>will conduct appropriate studies <u>pursuant to the LGIP</u> to determine the impact on</p> <p>Transmission Provider<u>the Participating TO's Transmission System and affected portions of the ISO Controlled Grid</u> based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed</p> <p><u>and all other requirements of this LGIA are satisfied.</u></p>	<p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and insertion of "Participating TO and the ISO" is a Category 9 change because the proposed LGIA is a three party agreement specifies that both the ISO and the Participating TO – each performing different aspects of interconnection service -- and clarifies that this provision applies to any supplemental information provided to the information that was provided for any of the Interconnection Studies. This change, which anticipates and prevents disputes, is therefore superior to the pro forma LGIA.</p> <p>The insertion of "Interconnection Studies", which is a defined term in the pro forma LGIA, and deletion of "Interconnection Study Agreement", which is not a defined term, is a Category 1 and Category 7 change. This change, which avoids ambiguity and prevents disputes while not changing the meaning of the LGIA, is consistent with or superior to the pro forma LGIA.</p> <p>The addition of the phrase "pursuant to the LGIP" is a Category 5 change because it makes clear that the procedures contained in the LGIP will control the conduct of the studies necessitated by the provision of data that is materially different than originally provided. This change, which enhances administrative efficiency and reduces the possibility of disagreements over the conduct of the required studies, is superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "the Participating TO's" and the insertion of the phrase "and affected portions of the ISO Controlled Grid" are Category 1, and Category 2 changes. These changes reflect that if data utilized in studies is materially different than originally provided to the Participating TO and the ISO, then the impact of such changes on both the affected Participating TO's transmission system as well as other affected portions of the ISO Controlled Grid, which is a defined term in the ISO Tariff, must be determined by the appropriate entity. This change, which clarifies that the scope of the required studies must reach beyond the Participating TO's system, is superior to the pro forma LGIA.</p> <p>The addition of the term "and all other requirements of this LGIA are satisfied" is a Category 5 change. This change, which anticipates and prevents disputes by making it clear that the restriction that Trial Operation is not permitted unless all requirements of the LGIA are met, is consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 24.4	<p>Information Supplementation. Prior to the <u>Trial Operation Date</u>, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built"</p> <p>Large <u>Electric Generating Facility Unit</u> information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Electric <u>Generating Facility Unit</u> as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Electric <u>Generating Facility Unit</u> to verify proper operation of the Large Electric <u>Generating Facility Unit's</u> automatic voltage regulator.</p>	<p>The insertion of "Trial Operation date" and deletion of "Date" is a Category 1 and Category 7 change. This change, which reflects defined terms utilized in the pro forma LGIA, is superior to the pro forma LGIA.</p> <p>The substitution of "Electric Generating Unit" in place of "Large Generating Facility" is a Category 5 change to utilize a newly defined that is used to account for the multiple units that together on one site make up the Generating Facilities. This change is more precise and prevents disputes that otherwise would arise in situations where there are more than one Electric Generating Unit on one site. This change therefore is superior to the pro forma LGIA.</p>
Article 24.4	<p>Unless otherwise agreed, the test conditions shall include: (1) Large Electric <u>Generating Facility Unit</u> at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent</p> <p><u>(5 percent)</u> change in Large Electric <u>Generating Facility Unit</u> terminal voltage initiated by a change in the voltage regulators reference voltage. <u>The</u> Interconnection Customer shall provide validated test recordings showing the responses of Large Electric <u>Generating Facility Unit</u> terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Electric <u>Generating Facility Unit's</u> terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Electric <u>Generating Facility Unit</u> terminal or field voltages is provided. Large Electric <u>Generating Facility Unit</u> testing shall be conducted and results provided to</p> <p>Transmission Provider <u>the Participating TO and the ISO</u> for each individual generating unit <u>Electric Generating Unit</u> in a station.</p>	<p>The substitution of "Electric Generating Unit" in place of "Large Generating Facility" throughout this Article 24.4 is a Category 5 change to utilize a newly defined that is used to account for the multiple units, including protections devices, meters, transformers and appurtenant equipment, that together on one site make up the Generating Facilities. This change is more precise and prevents disputes that otherwise would arise in situations where there are more than one Electric Generating Unit on one site. This change therefore is superior to the pro forma LGIA.</p> <p>The insertion of "5 percent" is a Category 8 change intended to avoid disputes. This change does not alter the meaning of the LGIA and is therefore consistent with the pro forma LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement with the ISO and the PTO each having interconnection service responsibilities.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 24.4	<p>Subsequent to the <u>Commercial</u> Operation Date, the Interconnection Customer shall provide Transmission Provider <u>the Participating TO and the ISO</u> any information changes due to equipment replacement, repair, or adjustment. Transmission Provider <u>The Participating TO</u> shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider <u>Participating TO</u>-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment pursuant to Article 5.19.</p>	<p>The insertion of "Commercial" before "Operation Date" is a Category 1 and Category 7 change. This change reflects that the pro forma LGIA does not define the phrase "Operation Date" and in this context the term "Commercial Operation Date", which is a defined term in the pro forma LGIA, is appropriate. This change is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "Transmission Provider" and the insertion of "the Participating TO and the ISO" is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement with the ISO and the Participating TO each having distinct interconnection service responsibilities.</p> <p>The deletion of "Transmission Provider" and the insertion of "Participating TO" prior to "-owned substation" is a Category 2 change. This change, which recognizes that in California the Participating TO and not the ISO owns transmission plant, is superior to the pro forma LGIA.</p> <p>The insertion of "Article 5.19" in place of the "thirty...Calendar Days" is a Category 5 change. This change eliminates an inconsistency in the pro forma LGIA with respect to the required timing for providing information for "plan[ned]...modification[s]" ("ninety...Calendar Days in advance of the commencement of the work"), as specified in Article 5.19 of the pro forma LGIA. This change, which provides administrative efficiency and prevents disputes, is superior to the pro forma LGIA.</p>
Article 25.1	<p>Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. <u>Nothing in this Article 25 shall obligate the ISO to make available to a Party any third party information in its possession or control if making such third party information available would violate an ISO Tariff restriction on the use or disclosure of such third party information.</u></p>	<p>The inserted language is intended to protect the confidentiality of third party information in the ISO's possession or control. This change is therefore superior to the pro forma LGIA in that it recognizes those provisions in the ISO Tariff, which has been approved by FERC, governing third party confidential information.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 25.2	<p>Reporting of Non-Force Majeure Events. Each Party (the “notifying Party”) shall notify the other Party<u>Parties</u> when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply.</p> <p>Notwithstanding the foregoing, notification, cooperation or information provided under this article<u>Article</u> shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.</p>	<p>The deletion of “Party” and insertion of “Parties” is a Category 9 change because the proposed LGIA is a three party agreement and rights and obligations associated with the provision of notices involving non-force majeure events involve more than one other party. This change is therefore superior to the pro forma LGIA.</p> <p>The deletion of “article” and insertion of “Article” is a Category 8 change. This change is consistent with the pro forma LGIA because is does not alter the meaning of the LGIA.</p>
Article 25.3	<p>Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's<u>the Parties' audit rights shall include audits of a Party's costs pertaining to such Party's performance or</u> satisfaction of obligations <u>owed to the other Party</u> under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider, the ISO's efforts to allocate responsibility for the provision of reactive support to the</p> <p>Transmission System, Transmission Provider, ISO Controlled Grid, the ISO's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, ISO Controlled Grid, and each</p> <p><u>such Party's</u> actions in an Emergency Condition.</p>	<p>The changes made to Article 25.3, including moving the last sentence of Article 25.3 into a new Article 25.3.1 and inserting a new Article 25.3.2, are in part Category 9 changes to reflect that this is a three party agreement. In addition, the remaining changes are consistent with the FERC pro forma LGIA, in that they allow either party to audit the other party's accounts and records pertaining to either the other party's performance or the other party's accounts and records pertaining to the auditing party's performance. The changes pertaining to the ISO, including the insertion of a new Article 25.3.2, however, recognize that a party's audit rights of the ISO books and records are governed by the FERC-approved audit provisions contained in the ISO Tariff. As between the Interconnection Customer and Participating TO, new Article 25.3.1 applies only when the auditing.</p> <p>The phrase “have the right, during normal business hours,...to audit ...other Party's accountings and records pertaining to either Party's performance or either Party's” is moved with minor changes to Section 25.3.1. This change is intended to make this phrase apply only to the Participating TO and the Interconnection Customer. The process by which audits undertaken by the Interconnection Customer or the Participating TO of the ISO's accounts and records are dealt with separately in the new Article 25.3.2. These changes are therefore consistent with or superior to the pro forma LGIA.</p> <p>The deletion of “Transmission System, Transmission Provider” and insertion of “ISO Controlled Grid, the ISO's” is a Category 1 and Category 2 change. This change reflects the use of a defined term in the ISO Tariff and that reactive support is being provided, as appropriate, for the benefit of the “ISO Controlled Grid”. Further, this change recognizes that since it is the ISO's duty to allocate responsibility for interruption or reduction of generation and each Party's actions in an Emergency Condition, these actions should be subject to audit. These changes are therefore comparable with or superior to the pro forma LGIA.</p> <p>The addition of the word “such” before “Party's” is a Category 5 change. This change clarifies that a party's audit rights are specific to the party subject to an audit, not to all parties generically. This change, which provides for administrative efficiency and prevents disputes, is superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 25.3.1	<p><u>The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA.</u></p> <p><u>Subject to Article 25.3.2, any</u> audit authorized by this</p> <p>articleArticle shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each</p> <p><u>such</u> Party's performance and satisfaction of obligations under this LGIA. Each <u>such</u> Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.</p>	<p>The phrase "have the right, during normal business hours,...to audit ...other Party's accountings and records pertaining to either Party's performance or either Party's" is moved with minor changes from Section 25.3 to this new Article 25.3.1. This change is intended to make this phrase apply only to the Participating TO and the Interconnection Customer. The process by which audits undertaken by the Interconnection Customer or the Participating TO of the ISO's accounts and records are dealt with separately in the new Article 25.3.2.</p> <p>The insertion of the phrase "Subject to Article 25.3.2" is intended to make clear that any audit that may involve the ISO is governed by Article 25.3.2 and the applicable audit provisions in the FERC-approved ISO Tariff. This change is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of "article" and insertion of "Article" is a Category 8 change. This change, which does not alter the meaning of the pro forma LGIA, is comparable with the pro forma LGIA.</p> <p>The addition of the word "such" before "Party's" is a Category 5 change. This change clarifies that a party's audit rights are specific to the party subject to an audit, not to all parties generically. This change, which provides for administrative efficiency and prevents disputes, is superior to the pro forma LGIA.</p>
Article 25.3.2	<p><u>Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.</u></p>	<p>The changes made to Article 25.3, including Articles 25.3.1 and 25.3.2, are Category 9 changes because the proposed LGIA is a three party agreement. These changes clarify that audit rights apply to all three parties, while Article 25.3.1 applies only when the auditing the Interconnection Customer and Participating TO. A new Article 25.3.2 is added to address the rights and obligations of parties auditing the ISO and is intended to acknowledge that parties' audit rights of the ISO's accounts and records are as set forth in the FERC-approved ISO Tariff. These changes are therefore consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 25.4.1	<p>Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider <u>Participating TO's Interconnection Facilities and Network Upgrades</u></p> <p><u>and Distribution Upgrades constructed by the Participating TO</u> shall be subject to audit for a period of twenty-four months following Transmission Provider <u>the Participating TO's</u> issuance of a final invoice in accordance with Article 12.2.</p> <p><u>Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the ISO for a period of twenty-four months following the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).</u></p>	<p>The deletion of "Transmission Provider" and insertion in this sentence of "Participating TO's" is a Category 2 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement and the Participating TO constructs and owns the Interconnection Facilities, the Network Upgrades, and Distribution Upgrades. This change is therefore comparable with or superior to the pro forma LGIA.</p> <p>The insertion of the phrase "Distribution Upgrades constructed by the Participating TO" is a Category 3 change. This change, which adds to the list of facilities subject to audit, recognizes that an interconnection may also require modifications to the distribution system, which is not recognized in the pro forma LGIA, and that parties should therefore have the right to audit such modifications. This change is therefore superior to the pro forma LGIA.</p> <p>A new provision is added as a Category 5 change. This change allows reciprocal rights to audit facilities constructed by the Interconnection Customer. The addition of this reciprocal audit right appropriately provides balanced rights and obligations among the parties respecting audits. This change is therefore superior to the pro forma LGIA.</p>
Article 25.4.2	<p>Audit Rights Period for All Other Accounts and Records. Accounts and records related to either a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought-</p> <p><u>: provided that each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.</u></p>	<p>The deletion of "either" and insertion of "a" is a Category 9 change, which is consistent with or superior to the pro forma LGIA because it reflects that this is a three party agreement.</p> <p>The insertion of language pertaining to auditing the ISO's accounts and records is intended to acknowledge that parties audit rights of the ISO's accounts and records as set forth in the FERC-approved ISO Tariff. This change is therefore consistent with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 25.5	<p>Audit Results. If an audit by a Party<u>the Interconnection Customer or the Participating TO</u> determines that an overpayment or an underpayment has occurred <u>with respect to the other Party</u>, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.</p> <p><u>The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.</u></p>	<p>The changes made to the first sentence of Article 25.5 are Category 2 changes because the proposed LGIA is a three party agreement. These changes clarify that as between the Participating TO and Interconnection Customer a notice of overpayment or underpayment would be given as between only these two parties as payments under the LGIA are only as between these parties. These changes are therefore consistent with or superior to the pro forma LGIA, which contemplates a two party agreement.</p> <p>The new last sentence is a Category 5 change, which specifies the procedural steps to be followed to remedy an overpayment or underpayment. This change, which enhances administrative efficiency, provides certainty of financial outcomes, and reduces the potential for disputes, is comparable with or superior to the pro forma LGIA.</p>
Article 25.5.1	<p>25.5.1 <u>Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff, and the ISO's process for remedying an overpayment or underpayment shall be as set forth in the ISO Tariff</u></p>	<p>A new Article 25.5.2 is added as a Category 5 change to address the rights and obligations of parties auditing the ISO, which is governed by the ISO Tariff. This change is therefore consistent with or superior to the pro forma LGIA in that it recognizes the already approved audit process involving the ISO.</p>
Article 26.2	<p>Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party 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 Transmission Provider<u>the ISO or Participating TO</u> be liable for the actions or inactions of</p> <p><u>the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.</u></p>	<p>The deletion of "Transmission Provider" and insertion of "the ISO or Participating TO" is a Category 2 change. This change recognizes that the LGIA is a three party agreement and in this context both the ISO and the Participating TO must be excused from liability for the actions or inactions of the Interconnection Customer or its subcontractors. This change is therefore superior to the pro forma LGIA.</p> <p>The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA.</p>
Article 27	<p><u>All disputes arising out of or in connection with this LGIA whereby relief is sought by or from the ISO shall be settled in accordance with the provisions of Article 13 of the ISO Tariff, except that references to the ISO Tariff in such Article 13 of the ISO Tariff shall be read as references to this LGIA. Disputes arising out of or in connection with this LGIA not subject to provisions of Article 13 of the ISO Tariff shall be resolved as follows:</u></p>	<p>This new provision is a Category 5 change to address the rights and obligations of parties seeking relief by or from the ISO, which is governed by the ISO Tariff. This change is therefore consistent with or superior to the pro forma LGIA in that it recognizes the already approved dispute resolution process involving the ISO.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 27.2	<p>External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("<u>Arbitration Rules</u>") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.</p>	<p>The deletion of "or RTO rules" is a Category 1 change because there are no relevant RTO arbitration rules in the context of interconnections contemplated by this agreement. This change, which anticipates and prevents confusion among parties, is consistent with the original intent of the language, and is therefore comparable with or superior to the pro forma LGIA.</p>
	<p>Article 29. Joint Operating Committee</p>	<p>This article is deleted as unnecessary because there need not be a Joint Operating Committee in the context of the ISO. This is a Category 4 change because the duties and functions of the Joint Operating Committee are existing provisions of the ISO Tariff. Thus, the deletion of this Article removes any ambiguity regarding the obligations and rights of the Interconnection Customer.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 29.1	<p>Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:</p>	<p>This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols. Thus, the changes made in this filing provide a superior alternative to the pro forma OATT for the interconnection customers in that it eliminates confusion as to the obligations and rights of the Interconnection Customer. Specifically, Tariff Section 2.3.3 establishes the requirements for the "Coordination of Outages and Maintenance". In addition, Tariff Section 5.5 requires generators to comply with the provisions of Tariff Section 2.3.3.</p>
Article 29.1.1	<p>Establish data requirements and operating record requirements.</p>	<p>This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols. Regarding data requirements for Generators, ISO Tariff Section 2.5.6, 2.5.6.2 and 5.1.3 direct the ISO to require generators to provide real-time data as needed for grid reliability. The ISO has established Monitoring and Communications Standards for all generators in the ISO control area that include minimum data and communications requirements. Operating records requirements are established by ISO Tariff Section 2.3.3.11, which directs the ISO and all operators to develop procedures to keep a record of approved maintenance outages. Outage Coordination Protocol (OCP) 9.1 directs that the ISO Outage Coordination Office maintain records of approved maintenance outages. The ISO Outage Coordination Office through the logging application known as SLIC keeps these records. Further, all operation personnel are required to keep logs of activities (for scheduled and unscheduled events and outages) by use of SLIC as per ISO Operating Procedure D-50 (Logging Practices) and its appendices. Data requirements for maintenance outages are described in OCP 4.3.1 for generation outages (and OCP 5.3 for transmission outages).</p>
Article 29.1.2	<p>Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.</p>	<p>This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff. Specifically, Tariff Sections 2.5.6, 2.5.6.2 and 5.1.3 direct the ISO to require generators to provide real-time data as needed for grid reliability. The ISO has established Monitoring and Communications Standards for all generators in the ISO control area that include minimum data and communications requirements.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 29.1.3	Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.	This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols. Specifically, OCP 2.2.1, 2.2.2, and 2.2.3 and OCP 3.1.1, 3.1.2, and 3.1.3 describe the long-range planning program for generator and transmission outages, respectively. These sections of the OCP establish requirements where generators and transmission owners are to submit plans and updates on a quarterly basis for the following rolling twelve months. The ISO then develops a long-range outage plan and reviews the coordinated plans and forecasts resource adequacy as per OCP 2.3.2 and OCP 3.2.1.
Article 29.1.4	Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.	This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols. Specifically, ISO Tariff Section 2.3.3, the Outage Coordination Protocol and Operating Procedure T-113 describe the coordination of scheduled and forced outages that may impact operation of Large Generating Facilities. ISO Tariff Section 5.5 requires generators to comply with the applicable provisions of Tariff Section 2.3.3.
Article 29.1.5	Ensure that information is being provided by each Party regarding equipment availability.	This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols. Specifically, ISO Tariff 5.8.4, Dispatch Protocol 3.7, and ISO Operating Procedure G-200 cover sharing of information.
Article 29.1.6	Perform such other duties as may be conferred upon it by mutual agreement of the Parties.	This section is deleted as a Category 4 change because the duties and functions described in the pro forma currently exist as provisions of the ISO Tariff and its Protocols.
Article 30.4	Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between <u>among</u> the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between or <u>among</u> the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either <u>any</u> Party's compliance with its obligations under this LGIA.	The deletion of "between" and insertion of "among" and "or among" are Category 9 changes. The deletion of "either" and insertion of "any" is a Category 2 change. These changes recognize that the LGIA is a three party agreement. These changes are therefore consistent with or superior to the pro forma LGIA, which contemplates a two party agreement.
Article 30.6	Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider <u>the Participating TO</u> . Any waiver of this LGIA shall, if requested, be provided in writing.	The insertion of the word "the" is a Category 5 change because it adds clarity but does not alter the meaning of the LGIA and is therefore comparable with or superior to the pro forma LGIA. The deletion of "Transmission Provider" and insertion of "the Participating TO" is a Category 2 change to reflect that the Interconnection Customer is able under the ISO Tariff and the LGIP and LGIA to obtain an interconnection from the Participating TO. This change is therefore comparable with or superior to the pro forma LGIA.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 30.9	<p>Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by <u>all of</u> the Parties. <u>Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.</u></p>	<p>The insertion of “all of” is a Category 9 change. This change recognizes that the LGIA is a three party agreement. This change is therefore consistent with or superior to the pro forma LGIA, which contemplates a two party agreement.</p> <p>The insertion of “Such amendment shall become effective ...” is a Category 5 change. This change adds the identical language used in Section 30.10 to make clear that any amendment to the LGIA will only become effective upon acceptance by FERC and satisfaction of any other legal requirements. This change, which enhances administrative efficiency and reduces the potential for disputes, is comparable with or superior to the pro forma LGIA.</p>
Article 30.10	<p>Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by <u>all of</u> the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.</p>	<p>The insertion of “all of” is a Category 9 change. This change recognizes that the LGIA is a three party agreement. This change is therefore consistent with or superior to the pro forma LGIA, which contemplates a two party agreement.</p>
Article 30.11	<p>Reservation of Rights. Transmission Provider. <u>The ISO and Participating TO shall each</u> have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation</p> <p>Under pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC’s rules and regulations thereunder, and</p> <p><u>with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:</u></p> <p><u>Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.4, 4.5, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the ISO below.</u></p>	<p>The deletion of “Transmission Provider” and insertion of “The ISO and Participating TO” and “each” are Category 2 changes. These changes recognize that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO. This change is therefore comparable with or superior to the pro forma LGIA.</p> <p>The deletion of “under” and insertion of “pursuant to” is a Category 8 change. This change, which does not alter the meaning of the pro forma LGIA, is therefore comparable with the pro forma LGIA.</p> <p>The movement of the phrase “with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation” later into the text of this Article and the insertion of the phrases “with respect to the following Articles of this LGIA and” and “covered by these Articles” is a Category 2 and Category 5 change. With respect to rights and obligations that affect both the ISO and the PTO, such as is contemplated in Article 5.9 where the Participating TO and/or the ISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies pertaining to the limited operation of the generating unit pending completion of the Interconnection Facilities. These changes are appropriate when both the ISO or Participating TO would be performing additional studies and, therefore both parties must be allowed to maintain their separate Section 205 right to make unilateral filings to modify these provisions. These changes are therefore comparable with the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 30.11	<p><u>The Participating TO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:</u></p> <p><u>2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.</u></p>	<p>This new term is a Category 2 and Category 5 change. With respect to rights and obligations that affect only the PTO's interconnection service rights, such as Article 5.1, which contemplates that the Participating TO and not ISO owns the Interconnection Facilities, Network Upgrades, and Distribution Upgrades and designs and builds these facilities, it is appropriate that only the PTO maintain its Section 205 right to make unilateral filings to modify these provisions. These changes are therefore comparable with the pro forma LGIA.</p>
Article 30.11	<p><u>The ISO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:</u></p> <p><u>3.2, 4.3, 4.6, 11.6, 25.3.2, 25.5.1, and 27 preamble.</u></p>	<p>This new term is a Category 2 and Category 5 change. With respect to rights and obligations that affect only the ISO's interconnection service rights, such as Article 11.6, which contemplates that if the ISO directs the Interconnection Customer to provide reactive power, then the ISO shall compensate the Interconnection Customer for this service, it is appropriate that only the ISO maintain its Section 205 right to make unilateral filings to modify these provisions. These changes are therefore comparable with the pro forma LGIA.</p>
Article 30.11	<p><u>The Interconnection Customer, the ISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.</u></p>	<p>To the extent that the ISO and the PTO do not have a unilateral right to make a Section 205 filing to modify the LGIA, it is appropriate not only to expressly allow the Interconnection Customer to seek to modify the LGIA pursuant to Section 206 or any other applicable provision on the FPA but also, as relevant, the ISO and the PTO. By so doing, each party is fully allowed to exercise its rights under the FPA, as appropriate.</p>
Article 30.12	<p>No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between among the Parties or to impose any partnership obligation or partnership liability upon either any Party. Neither 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, the other another Party.</p>	<p>The deletion of "between", "either", "Neither", and "the other" and substitution respectively of "among", "any", "No" and "another" are Category 9 changes. These changes, which recognize that this is a three party agreement, are therefore comparable with or superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
Article 30.13	<u>Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the ISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.</u>	This new term is a Category 2 and Category 5 change. This change recognizes that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. Accordingly, the rights and obligations of the respective parties necessarily are several and neither joint nor joint and several.
	IN WITNESS WHEREOF , the Parties have executed this LGIA in duplicate multiple originals, each of which shall constitute and be an original effective Agreement between agreement among the Parties.	The deletion of “duplicate” and “between” and insertion respectively of “multiple” and “among” are Category 9 changes. These changes, which recognize that this is a three party agreement, are therefore comparable with or superior to the pro forma LGIA.
	<hr/> <hr/> <p style="text-align: center;"><u>Appendix A</u></p> <p style="text-align: right;"><u>To LGIA</u></p> <p><u>Interconnection Facilities, Network Upgrades and Distribution Upgrades</u></p>	
1. Interconnection Facilities	(b) [insert Transmission Provider] <u>Participating TO's Interconnection Facilities</u>]:	The deletion of “Transmission Provider” and insertion of “Participating TO’s” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that the ISO and the Participating TO are interconnection service providers and therefore clarifies the responsible entity as between these two parties ISO and the Participating TO.
2. Network Upgrades	<u>(i) [insert Participating TO's Reliability Network Upgrades]</u>	The insertion of “[insert Participating TO’s Reliability Network Upgrades]” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it recognizes that the Participating TO owns the network upgrades.
	<u>(ii) [insert Participating TO's Delivery Network Upgrades]</u>	The insertion of “[insert Participating TO’s Delivery Network Upgrades]” is a Category 2 change. This change is consistent with or superior to the pro forma LGIA because it clarifies the responsible entity.
	<hr/> <hr/> <p style="text-align: center;">Appendix B to</p> <p style="text-align: right;"><u>To LGIA</u></p>	The deletion of “to” and insertion of “To” is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.
	<hr/> <hr/> <p style="text-align: center;">Appendix C to</p> <p style="text-align: right;"><u>To LGIA</u></p>	The deletion of “to” and insertion of “To” is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.
	<hr/> <hr/> <p style="text-align: center;">Appendix D to</p> <p style="text-align: right;"><u>To LGIA</u></p>	The deletion of “to” and insertion of “To” is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
	<p>Infrastructure security of Transmission System <u>ISO Controlled Grid</u> equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System <u>ISO Controlled Grid</u> reliability and operational security. FERC will expect the <u>ISO</u>, all Transmission Providers <u>Participating TOs</u>, market participants, and Interconnection Customers interconnected to the Transmission System <u>ISO Controlled Grid</u> 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 will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.</p>	<p>The deletion of "Transmission System" and insertion of "ISO Controlled Grid" is a Category 1, Category 2 and Category 5 changes. These changes, which recognize that the ISO is responsible for infrastructure security for the entire ISO Controlled Grid, which is a defined term in the ISO Tariff, anticipate and prevent disputes. These change are therefore consistent with or superior to the pro forma LGIA because it clarifies the responsible entity.</p> <p>The insertion of "the ISO" and substitution of "Participating TOs" in place of "Transmission Providers" are Category 2 and Category 5 changes. These changes, which recognize that not only the ISO but also the Participating TO as an owner and interconnection service provider, are consistent with or superior to the pro forma LGIA.</p>
	<p><u>The Interconnection Customer shall meet the requirements for security implemented pursuant to the ISO Tariff, including the ISO's standards for information security posted on the ISO's internet web site at the following internet address: http://www.caiso.com/pubinfo/info-security/index.html</u></p>	<p>The insertion of this new provision is a Category 5 change. This change anticipates and prevents disputes as to the Interconnection Customer's obligation to meet the ISO's security requirements. This change is therefore consistent with or superior to the pro forma LGIA.</p>
	<p style="text-align: center;">Appendix E-to</p> <hr/> <p style="text-align: center;"><u>To LGIA</u></p>	<p>The deletion of "to" and insertion of "To" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.</p>
	<p>This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.</p>	<p>The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.</p>
	<p>[Transmission Provider <u>[ISO Address]</u></p>	<p>The deletion of "Transmission Provider" and insertion of "ISO" within the address block is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.</p>
	<p>[Participating TO Address]</p>	<p>The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.</p>
	<p>Re: Large <u>Electric</u> Generating Facility <u>Unit</u></p>	<p>The substitution of "Electric Generating Unit" in place of "Large Generating Facility" is a Category 5 change to utilize a newly defined that that is used to account for the multiple units that together on one site make up the Generating Facilities. This change is more precise and prevents disputes that otherwise would arise in situations where there are more than one Electric Generating Unit on one site. This change therefore is superior to the pro forma LGIA.</p>

Article	Changes from Order 2003-A Pro Forma	Justification for Change
	On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ____ at the Large Electric Generating Facility Unit, effective as of [Date plus one day].	The substitution of "Electric Generating Unit" in place of "Large Generating Facility" is a Category 5 change to utilize a newly defined that that is used to account for the multiple units, including protections devices, meters, transformers and appurtenant equipment, that together on one site make up the Generating Facilities. This change is more precise and prevents disputes that otherwise would arise in situations where there are more than one Electric Generating Unit on one site. This change therefore is superior to the pro forma LGIA.
	<hr/> <hr/> Appendix F to To LGIA	The deletion of "to" and insertion of "To" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.
	Notices: Transmission Provider: <u>ISO:</u>	The deletion of "Transmission Provider" and insertion of "ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.
	[To be supplied.] <u>Participating TO:</u> <u>[To be supplied.]</u>	The insertion of "Participating TO" and "[To be supplied.]" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.
	Billings and Payments: Transmission Provider: <u>Participating TO:</u> <u>[To be supplied.]</u> <u>ISO:</u>	The deletion of "Transmission Provider" and insertion of "Participating TO," "[To be supplied.]," and "ISO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.
	Alternative Forms of Delivery of Notices (telephone, facsimile or email-mail):	The deletion of "email" and insertion of "e-mail" is a Category 8 change. This change is consistent with or superior to the pro forma LGIA because it does not alter the meaning and reduces customer confusion.
	<u>ISO:</u> <u>[To be supplied.]</u> Transmission Provider: <u>Participating TO:</u> [To be supplied.] <u>[To be supplied.]</u>	The deletion of "Transmission Provider" and insertion of "ISO: [To be supplied.]" and "Participating TO" is a Category 2 change. This change reflects that this is a three party agreement in which the interconnection service providers are the ISO and Participating TO, each with carefully defined roles in the provision of interconnection service. This change is therefore is consistent with or superior to the pro forma LGIA.

Article	Changes from Order 2003-A Pro Forma	Justification for Change
	<hr/> <hr/> <p style="text-align: center;">Appendix G to To LGIA</p> <p style="text-align: center;"><u>Reliability Management System Agreement</u></p>	<p>The insertion of "Appendix G To LGIA" simply a replacement of the original title</p> <p>The insertion of "Reliability Management System Agreement" is a Category 6 change. This change reflects WECC requirements that the Electric Generating Unit must execute a Reliability Management System Agreement. This change is therefore consistent with or superior to the pro forma LGIA.</p>
	<hr/> <hr/> <p style="text-align: center;">Appendix G to H To LGIA</p>	<p>The pro forma Appendix G (Requirements of Generators Relying on Newer Technologies) was moved to a new Appendix H. This change does not alter the meaning of the pro forma LGIA. It is therefore consistent with the pro forma LGIA.</p>

ATTACHMENT B

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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Appendix H Requirements of Generators Relying on Newer Technologies

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(~~"Agreement"~~ "LGIA") is made and entered into this ____ day of _____ 20 __, by and between _____, a

_____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and

_____, a _____, a corporation organized and existing under the laws of the State/Commonwealth of _____ ("~~Transmission Provider and/or Transmission Owner~~" of California ("**Participating TO**"), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("ISO"). ~~Interconnection Customer and Transmission Provider, Participating TO, and ISO~~ each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

Recitals

WHEREAS, ~~ISO exercises Operational Control over the ISO Controlled Grid; and~~

WHEREAS, ~~Transmission Provider~~ the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement LGIA; and;

WHEREAS, Interconnection Customer, Participating TO, and ~~Transmission Provider~~ ISO have agreed to enter into this Agreement LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO's Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this ~~Standard Large Generator Interconnection Agreement~~ LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used ~~or the Open Access Transmission Tariff (OATT)~~.

Article 1. Definitions

ARTICLE 1. DEFINITIONS

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the ~~Transmission Provider's Transmission System~~ ISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the ISO Controlled Grid.

~~_____ **Affected System Operator** shall mean the entity that operates an Affected System.~~

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

~~_____ **Ancillary Services** shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.~~

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

Applicable Reliability Council shall mean the ~~reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.~~ Western Electricity Coordinating Council or its successor.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Participating TO's Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies ~~by the Transmission Provider or Interconnection Customer.~~

Breach shall mean the failure of a Party to perform or observe any material term or condition of the ~~Standard Large Generator Interconnection Agreement~~this LGIA.

Breaching Party shall mean a Party that is in Breach of the ~~Standard Large Generator Interconnection Agreement~~this LGIA.

Business Day shall mean Monday through Friday, excluding ~~Federal Holidays~~federal holidays and the day after Thanksgiving Day.

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

~~——~~ **Clustering** shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of an Electric Generating Unit at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a ~~unit~~an Electric Generating Unit shall mean the date on which the Electric Generating Unit at the Generating Facility commences Commercial Operation as agreed to by the ~~Parties~~applicable Participating TO and the Interconnection Customer pursuant to Appendix E to the ~~Standard Large Generator Interconnection Agreement~~this LGIA.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise, subject to Article 22.1.2.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation

of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the ~~Standard Large Generator Interconnection Agreement~~this LGIA.

~~_____~~ **Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

~~**Distribution System** shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas~~those non-ISO-controlled transmission and distribution facilities owned by the Participating TO.

~~**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce~~Participating TO's Distribution System. Distribution Upgrades do not include Interconnection Facilities.

~~**Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement~~this LGIA becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

~~**Electric Generating Unit** shall mean an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.~~

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider~~the ISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities, the ISO Controlled Grid or the electric systems of others to which the Transmission Provider's Transmission System~~ISO Controlled Grid is directly connected; or (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case~~

of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the ~~Standard Large Generator Interconnection Agreement~~this LGIA to possess black start capability.

~~Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.~~

~~Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.~~

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

FERC shall mean the Federal Energy Regulatory Commission (~~Commission~~) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other ~~caused~~cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean the Interconnection Customer's ~~device~~Electric Generating Unit(s) used for the production of electricity identified in the Interconnection Customer's Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

~~Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.~~

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the

relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be ~~limited to any one of a number of~~ the optimum practice, method practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which ~~the~~ an Electric Generating Facility Unit is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the ~~Transmission Provider's~~ Participating TO's Interconnection Facilities to obtain back feed power.

~~Interconnection Customer~~ shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of ~~the Standard Large Generator Interconnection Agreement~~ this LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the ~~Transmission Provider's~~ Participating TO's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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

Interconnection Facilities Study shall mean ~~at the~~ study conducted by the ~~Transmission Provider~~ Participating TO, the ISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including ~~Transmission Provider's~~ the Participating TO's Interconnection Facilities and ~~Network Upgrades as identified in the Interconnection System Impact Study, and Distribution Upgrades~~), the cost of those facilities, and the time required to interconnect the Generating Facility with the ~~Transmission Provider's~~ Participating TO's Transmission System. ~~The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.~~

Interconnection Facilities Study Agreement shall mean the ~~form of~~ agreement contained in Appendix 4 of the ~~Standard Large Generator~~ between the Interconnection Procedures Customer and the Participating TO or the ISO for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean ~~at the~~ preliminary evaluation conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the ~~Transmission Provider's~~ Transmission System, the scope of which is ~~described in Section 6 of the Standard Large Generator Interconnection Procedures.~~ Participating TO's Transmission System, and, if reasonably practicable, an informational assessment, as needed, of other affected owners' portions of the ISO Controlled Grid.

~~Interconnection Feasibility Study Agreement~~ shall mean the form of agreement contained in Appendix 2 of the ~~Standard Large Generator Interconnection Procedures~~ for conducting the Interconnection Feasibility Study.

Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In

the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

Interconnection Request shall mean ~~an Interconnection Customer's~~a request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the ISO Tariff, ~~to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.~~

Interconnection Service shall mean the service provided by the ~~Transmission Provider~~Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the ~~Transmission Provider~~Participating TO's Transmission System and enabling ~~it~~the ISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the ~~Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's~~this LGIA, the Participating TO's Transmission Owner Tariff, and the ISO Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study ~~described in~~performed by the Participating TO, the ISO, or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean ~~an~~the engineering study conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of ~~Transmission Provider~~the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

~~Interconnection System Impact Study Agreement~~ shall mean the form of agreement contained in Appendix 3 of the ~~Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.~~

IRS shall mean the Internal Revenue Service.

ISO Controlled Grid shall mean the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the ISO's Operational Control.

~~_____ **Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.~~

ISO Tariff shall mean the ISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, ~~arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.~~

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed ~~at~~ for measuring the output of the Generating Facility pursuant to the ~~Standard Large Generator Interconnection Agreement~~ this LGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

~~_____ **Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.~~

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

~~_____ **Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as all other Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.~~

Operational Control shall mean the rights of the ISO under the Transmission Control Agreement and the ISO 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.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System. Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the ISO Controlled Grid.

~~Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.~~

Participating TO's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this LGIA, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

~~Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.~~

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

~~_____~~ **Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

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

Party or Parties shall mean ~~the~~ Transmission Provider, Transmission Owner, Participating TO, ISO, Interconnection Customer or ~~any~~ the applicable combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the ~~Standard Large Generator Interconnection Agreement~~ this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the ~~Transmission Provider~~ Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the ~~Standard Large Generator Interconnection Agreement~~ this LGIA, where the Interconnection Facilities connect to the ~~Transmission Provider~~ Participating TO's Transmission System.

~~_____~~ **Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the ~~Standard Large Generator Interconnection Agreement~~ this LGIA, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting ~~between~~ among representatives of the Interconnection Customer, the Participating TO, and ~~Transmission Provider~~ the ISO conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

~~_____~~ **Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

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

~~**Stand Alone Network Upgrades** shall mean Network Upgrades that an~~the ~~Interconnection Customer may construct without affecting day-to-day operations of the Transmission System~~ISO Controlled Grid or Affected Systems ~~during their construction. Both the Transmission Provider~~The Participating TO, the ISO, ~~and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.~~

~~**Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff~~this LGIA.

~~**Standard Large Generator Interconnection Procedures (LGIP)** shall mean the~~ISO protocol that sets forth the ~~interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are~~is ~~included in the Transmission Provider's~~ISO ~~Tariff.~~

~~**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect~~that protects ~~(1) the Transmission Provider's~~Participating TO's ~~Transmission System, Participating TO's Interconnection Facilities, ISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's~~Transmission System~~ISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems~~ or on other delivery systems or other generating systems to which the Transmission Provider's~~Transmission System~~ISO Controlled Grid ~~is directly connected.~~

~~_____ **Tariff** shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.~~

~~_____ **Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.~~

~~_____ **Transmission Provider** shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the~~

Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

~~Transmission Provider's Interconnection Facilities~~ shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission Control Agreement shall mean ISO FERC Electric Tariff No. 7.

~~Transmission System~~ shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of the an Electric Generating Facility Unit prior to Commercial Operation.

~~Article 2. Effective Date, Term, and Termination~~

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. ~~Transmission Provider~~ The ISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ~~ten (10)~~ _____ years from the Effective Date (***Term Specified in Individual Agreements to be ten (10) years or such other longer period as the Interconnection Customer may request*** ~~(Term to be specified in individual agreements)~~ and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by the Interconnection Customer after giving ~~Transmission Provider~~ the ISO and the Participating TO ninety (90) Calendar Days advance written notice, or by ~~Transmission Provider~~ the ISO and the Participating TO notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. ~~Either~~A Party may terminate this LGIA in accordance with Article 17.

2.3.3 Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16.

2.3.4 Notwithstanding Articles 2.3.1 and 2.3.1, 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. ~~If a Party elects to terminate this Agreement~~this LGIA terminates pursuant to Article 2.3 above, each Party~~the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or ISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Party's~~Parties' receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.

2.4.1 Notwithstanding the foregoing, in the event of termination by a Party, ~~the~~all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. ~~Upon termination of this LGIA, unless otherwise ordered or approved by FERC:~~ **2.4.1** ~~With respect to any portion of Transmission Provider~~the Participating TO's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider~~the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider~~the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid Transmission Provider~~the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, Transmission Provider~~the Participating TO shall promptly

refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by ~~Transmission Provider~~the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.

~~If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.~~

~~2.4.2~~ ~~Transmission Provider~~The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case ~~Transmission Provider~~the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

~~2.4.3~~ With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other ~~Party~~Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

~~Article 3. Regulatory Filings~~

ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE

3.1 Filing. ~~Transmission Provider~~The Participating TO and the ISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with ~~Transmission Provider~~the Participating TO and ISO with respect to such filing and to provide any information reasonably requested by ~~Transmission Provider~~the Participating TO or ISO needed to comply with applicable regulatory requirements.

3.2 Agreement Subject to ISO Tariff. The Interconnection Customer will comply with all applicable provisions of the ISO Tariff, including the LGIP.

3.3 Relationship Between this LGIA and the ISO Tariff.

[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]

Article 4. ~~Scope of Service~~

ARTICLE 4. SCOPE OF SERVICE

4.1 ~~Interconnection Product Options.~~ ~~Interconnection Customer has selected the following (checked) type of Interconnection Service:~~

~~4.1.1 Energy Resource Interconnection Service. 4.1.1.1 The Product.~~

~~Energy Resource Service. Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Participating TO's Transmission System and be eligible to deliver the Large Generating Facility's output using the ~~existing firm or non-firm capacity of the Transmission System on an "as available" basis~~available capacity of the ISO Controlled Grid. To the extent the Interconnection Customer wants to receive ~~Energy Resource Interconnection Service,~~ ~~Transmission Provider~~the Participating TO shall construct facilities identified in ~~Attachment A. Appendices A and C that the Participating TO is responsible to construct.~~~~

4.1.1.2 ~~Transmission Delivery Service Implications.~~ ~~Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs~~

~~identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.~~

~~4.1.2 Network Resource Interconnection Service.~~

~~4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.~~

~~4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses other Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.~~

~~Network Resource Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System, the ISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, the ISO Controlled Grid, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System the ISO Tariff in the same manner as all other Network Resources resources.~~

~~There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.~~

~~Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.~~

~~To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.~~

4.2 Provision of Service. ~~Transmission Provider~~ The Participating TO and the ISO shall provide Interconnection Service for the Large Generating Facility ~~at the Point of Interconnection.~~

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is ~~a Transmission Provider or Transmission Owner~~ the ISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission ~~delivery~~ service under ~~Transmission Provider's~~the ISO Tariff, and does not convey any right to deliver electricity to any specific customer or ~~Pointpoint of Delivery~~delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

Article 5. ~~Interconnection Facilities Engineering, Procurement, and Construction~~

Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the ISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.

- 5.1 Options.** Unless otherwise mutually agreed to ~~between~~among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

- 5.1.1 Standard Option.** ~~Transmission Provider~~The Participating TO shall design, procure, and construct ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades, and Distribution Upgrades, using Reasonable Efforts to complete ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. ~~Transmission Provider~~The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event ~~Transmission Provider~~the Participating TO reasonably expects that it will not be able to complete ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades, and Distribution Upgrades by the specified dates,

~~Transmission Provider~~the Participating TO shall promptly provide written notice to the Interconnection Customer and the ISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by the Interconnection Customer are acceptable to ~~Transmission Provider~~, ~~Transmission Provider~~the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities by the designated dates.

If ~~Transmission Provider~~the Participating TO subsequently fails to complete ~~Transmission Provider~~the Participating TO's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; ~~Transmission Provider~~the Participating TO shall pay the Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by the Interconnection Customer shall be extended day for day for each day that ~~the applicable RTO or ISO~~ refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by the Interconnection Customer are not acceptable to ~~Transmission Provider~~, ~~Transmission Provider~~the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, the Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades ~~on the dates specified in Article 5.1.2.~~ ~~Transmission Provider.~~ If the Interconnection Customer elects to exercise its option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, it shall so notify the Participating TO within thirty (30) Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO. The Participating TO, ISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, the Interconnection Customer shall so notify ~~Transmission Provider~~the Participating TO within thirty (30) Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades by the Interconnection Customer) pursuant to which ~~Transmission Provider~~the Participating TO is responsible for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, ~~Transmission Provider~~the Participating TO shall assume responsibility for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades pursuant to Article 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If the Interconnection Customer assumes responsibility for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades,

(1) the Interconnection Customer shall engineer, procure equipment, and construct ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by ~~Transmission Provider~~the Participating TO;

(2) The Interconnection Customer's engineering, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which ~~Transmission Provider~~the Participating TO would be subject in the engineering, procurement or construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(3) ~~Transmission Provider~~the Participating TO shall review and approve, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the ISO may, at its option, review the engineering design, equipment acceptance tests, and

the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, the Interconnection Customer shall provide to Transmission Provider the Participating TO, with a copy to the ISO for informational purposes, a schedule for construction of Transmission Provider the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider the Participating TO;

(5) at any time during construction, Transmission Provider the Participating TO shall have the right to gain unrestricted access to Transmission Provider the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(7) the Interconnection Customer shall indemnify Transmission Provider the ISO and Participating TO for claims arising from the Interconnection Customer's construction of Transmission Provider the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) The Interconnection Customer shall transfer control of Transmission Provider the Participating TO's Interconnection Facilities and to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to Transmission Provider the ISO;

(9) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of Transmission Provider the Participating TO's Interconnection Facilities and Stand- Alone Network Upgrades to Transmission Provider the Participating TO. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail

to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;

(10) ~~Transmission Provider~~the Participating TO shall ~~approve and accept~~ for operation and maintenance ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) ~~The~~ Interconnection Customer shall ~~deliver to Transmission Provider's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C.~~ Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by ~~Transmission Provider~~the Participating TO to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by ~~Transmission Provider~~the Participating TO.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by ~~Transmission Provider~~the Participating TO pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by ~~Transmission Provider to~~the Participating TO to the Interconnection Customer in the event that ~~Transmission Provider~~the Participating TO does not complete any portion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which ~~Transmission Provider~~the Participating TO has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades for which ~~Transmission Provider~~the Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by ~~Transmission Provider to~~the Participating TO to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated

damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the ~~Transmission Provider~~Participating TO's failure to meet its schedule.

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the ~~Large Electric Generating Facility Unit's~~ Trial Operation or to export power from the ~~Large Electric Generating Facility Unit~~ on the specified dates, unless the Interconnection Customer would have been able to commence use of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for ~~Large Electric Generating Facility Unit's~~ Trial Operation or to export power from the ~~Large Electric Generating Facility Unit~~, but for ~~Transmission Provider~~the Participating TO's delay; (2) ~~Transmission Provider~~the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other ~~Interconnection Customer~~interconnection customer who has entered into an LGIA with ~~Transmission Provider~~interconnection agreement with the ISO and/or Participating TO, action or inaction by the ISO, or any cause beyond ~~Transmission Provider~~the Participating TO's reasonable control or reasonable ability to cure; (3) ~~interconnection~~Interconnection Customer has assumed responsibility for the design, procurement and construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

In no event shall the ISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.

- 5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. ~~Transmission Provider~~ and in accordance with the provisions of Section 5.4.1 of the ISO Tariff. The ISO reserves the right to reasonably establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative the ISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. The ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this paragraph Article 5.4 shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades is to be borne by ~~Transmission Provider~~, then ~~Transmission Provider~~the Participating TO, then ~~the Participating TO~~ shall commence design of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 ~~Transmission Provider~~The Participating TO has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 ~~Transmission Provider~~The Participating TO has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 The Interconnection Customer has provided security to ~~Transmission Provider~~the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. ~~Transmission Provider~~The Participating TO shall commence construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades;

5.6.3 ~~Transmission Provider~~The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 The Interconnection Customer has provided payment and security to ~~Transmission Provider~~the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts.

~~Either~~Any Party may, at any time, request a progress report from the ~~other~~another Party. If, at any time, the Interconnection Customer determines that the completion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities will not be required until after the specified ~~In-Service Date~~in-service date, the Interconnection Customer will provide written notice to ~~Transmission Provider~~the Participating TO and ISO of such later date upon which the completion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the ~~Parties'~~Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with ~~Transmission Provider~~the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation. If any of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the ~~Large Electric Generating Facility~~Transmission Provider Unit, the Participating TO and/or ISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the ~~Large Electric Generating Facility~~Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. ~~Transmission Provider~~The Participating TO and ISO shall permit Interconnection Customer to operate the ~~Large Electric Generating Facility~~Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ('ICIF'). The Interconnection Customer shall, at its expense, design, procure, construct, own and install the ~~ICIF~~Interconnection Customer's Interconnection Facilities, as set forth in Appendix A, ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades~~.

5.10.1 Large Generating Facility and Interconnection Customer's Interconnection FacilityFacilities Specifications. The Interconnection Customer shall submit initial specifications for the ~~ICIF~~Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to ~~Transmission Provider~~the Participating TO and the ISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial

Synchronization Date. ~~Transmission Provider~~The Participating TO and the ISO shall review such specifications pursuant to this LGIA and the LGIP to ensure that the ~~ICIF~~Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, and safety requirements of ~~Transmission Provider~~, and any other applicable requirements of the Participating TO and the ISO and comment on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 ~~Transmission Provider~~Participating TO's and ISO's Review.

~~Transmission Provider~~The Participating TO's and the ISO's review of the Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ~~ICIF~~Interconnection Customer's Interconnection Facilities. Interconnection Customer shall make such changes to the ~~ICIF~~Interconnection Customer's Interconnection Facilities as may reasonably be required by ~~Transmission Provider~~the Participating TO or the ISO, in accordance with Good Utility Practice, to ensure that the ~~ICIF~~Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, ~~operational control~~Operational Control, and safety requirements of ~~Transmission Provider~~the Participating TO or the ISO.

5.10.3 ~~ICIF~~Interconnection Customer's Interconnection Facilities

Construction. The ~~ICIF~~Interconnection Customer's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the ~~Parties~~Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to ~~Transmission Provider~~the Participating TO and ISO "as-built" drawings, information and documents for the ~~ICIF~~Interconnection Customer's Interconnection Facilities and the Electric Generating Unit(s), such as: a one-line diagram, a site plan showing the Large Generating Facility and the ~~ICIF~~Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the ~~ICIF~~Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ~~ICIF~~Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the ~~Large~~Electric Generating Facility Units. The Interconnection Customer shall provide ~~Transmission Provider~~the

Participating TO and the ISO specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the Interconnection Customer shall be assessed by the Participating TO and the ISO pursuant to the appropriate provisions of this LGIA and the LGIP.

5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.

- 5.11 ~~Transmission Provider~~ Participating TO's Interconnection Facilities Construction.** ~~Transmission Provider~~ The Participating TO's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the ~~Parties~~ Participating TO and Interconnection Customer agree on another mutually acceptable deadline, ~~Transmission Provider~~ the Participating TO shall deliver to the Interconnection Customer and the ISO the following "as-built" drawings, information and documents for ~~Transmission Provider~~ the Participating TO's Interconnection Facilities [include appropriate drawings and relay diagrams].

~~Transmission Provider~~ The Participating TO will obtain control of ~~Transmission Provider~~ for operating and maintenance purposes of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. Pursuant to Article 5.2, the ISO will obtain Operational Control of the Stand Alone Network Upgrades prior to the Commercial Operation Date.

- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish *at no cost* to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of ~~Transmission Provider or Transmission Owner~~ the Participating TO's Interconnection Facilities and/or Network Upgrades ~~is~~ are to be installed on property owned by persons other than ~~the~~ the Interconnection Customer or ~~Transmission Provider or Transmission Owner,~~ Transmission Provider or Transmission Owner, Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove ~~Transmission Provider or Transmission Owner~~ the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** ~~The LGIA shall specify~~ Appendix C specifies the allocation of the responsibilities of ~~Transmission Provider or Transmission Owner and~~ the Participating TO and the Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. ~~Transmission Provider or Transmission Owner and Interconnection Customer~~ The Parties shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. With respect to this paragraph, ~~Transmission Provider or Transmission Owner~~ the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to ~~Transmission Provider~~ the Participating TO's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** ~~The~~ The Interconnection Customer may request ~~Transmission Provider~~ the Participating TO to construct, and ~~Transmission Provider~~ the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the ~~Facilities Study~~ Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another ~~Interconnection Customer~~ interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** The Interconnection Customer reserves the right, upon written notice to ~~Transmission Provider~~ the Participating TO and the ISO, to suspend at any time all work by ~~Transmission Provider~~ the Participating TO's Interconnection Facilities, Network Upgrades, and/or Network Distribution Upgrades required under this LGIA with the condition that ~~Transmission System~~ the Participating TO's electrical system and the ISO Controlled Grid shall be left in a safe and

reliable condition in accordance with Good Utility Practice and ~~Transmission Provider~~the Participating TO's safety and reliability criteria and the ISO's Applicable Reliability Standards. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which ~~Transmission Provider~~the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the ~~Transmission System~~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 ~~Transmission Provider~~the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, ~~Transmission Provider~~the Participating TO shall obtain Interconnection Customer's authorization to do so.

~~Transmission Provider~~The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by ~~Transmission Provider~~ required under this LGIA pursuant to this Article 5.16, and has not requested ~~Transmission Provider~~the Participating TO to recommence the work or has not itself recommenced work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to ~~Transmission Provider~~the Participating TO and the ISO, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by the Interconnection Customer to ~~Transmission Provider~~the Participating TO for the installation of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as ~~an~~ a refundable advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations and And Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, the Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the ~~Transmission System~~ISO Controlled Grid, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to ~~Transmission Provider~~ for ~~Transmission~~

~~Provider~~the Participating TO for the Participating TO's Interconnection Facilities will be capitalized by the Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of ~~Transmission Provider~~the Participating TO's Interconnection Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, “de minimis amount” means no more than 5 percent of the total power flows in both directions, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At ~~Transmission Provider~~the Participating TO's request, the Interconnection Customer shall provide ~~Transmission Provider~~the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. ~~Transmission Provider~~The Participating TO represents and covenants that the cost of ~~Transmission Provider~~the Participating TO's Interconnection Facilities paid for by the Interconnection Customer without the possibility of refund or credit will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost ConsequencesConsequence of Current Tax Liability Imposed Upon the Transmission

~~Provider~~Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless ~~Transmission Provider~~the Participating TO from the cost consequences of any current tax liability imposed against ~~Transmission Provider~~the Participating TO as the result of payments or property transfers made by the Interconnection Customer to ~~Transmission Provider~~the Participating TO under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by ~~Transmission Provider~~the Participating TO.

~~Transmission Provider~~The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) ~~Transmission Provider~~the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to ~~Transmission Provider~~the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs ~~Transmission Provider~~the Participating TO to report payments or property as income subject to taxation; provided, however, that ~~Transmission Provider~~the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to ~~Transmission Provider~~the Participating TO (such as a parental guarantee

or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. ~~The~~ Interconnection Customer shall reimburse ~~Transmission Provider~~ the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from ~~Transmission Provider~~ the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the ~~earlier~~ later of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by ~~Transmission Provider~~ the Participating TO upon request of the IRS, to keep these years open for audit or adjustment, or (2) the ~~occurrence~~ date the risk of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17. ~~subsequent taxability as described in Article 5.17.6 no longer exists, as reasonably determined by the Participating TO.~~

5.17.4 Tax Gross-Up Amount. ~~The~~ Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that ~~the~~ Interconnection Customer will pay ~~Transmission Provider~~ the Participating TO, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on ~~Transmission Provider~~ the Participating TO ("Current Taxes") on the excess of (a) the gross income realized by ~~Transmission Provider~~ the Participating TO as a result of payments or property transfers made by ~~the~~ Interconnection Customer to ~~Transmission Provider~~ the Participating TO under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit ~~Transmission Provider~~ the Participating TO to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on ~~Transmission Provider~~ the Participating TO's composite federal and state tax rates at the time the payments or property transfers are received and ~~Transmission Provider~~ the Participating TO will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting ~~Transmission Provider~~ the Participating TO's anticipated tax depreciation deductions as a result of such payments or property transfers by ~~Transmission Provider~~ the Participating TO's current weighted

average cost of capital. Thus, the formula for calculating the Interconnection Customer's liability to Transmission Owner~~the Participating TO~~ pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At the Interconnection Customer's request and expense, ~~Transmission Provider~~the Participating TO shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by the Interconnection Customer to Transmission Provider~~the Participating TO~~ under this LGIA are subject to federal income taxation. The Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of the Interconnection Customer's knowledge. ~~Transmission Provider~~The Participating TO and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.

~~Transmission Provider~~The Participating TO shall keep the Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes the Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. ~~Transmission Provider~~The Participating TO shall allow the Interconnection Customer to attend all meetings with IRS officials about the request and shall permit the Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. ~~If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service,~~ (i) the Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and ~~Transmission Provider~~the Participating TO retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Provider~~the Participating TO,~~

calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that ~~Transmission Provider~~the Participating TO's receipt of payments or property constitutes income that is subject to taxation, ~~Transmission Provider~~the Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, ~~Transmission Provider~~the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, ~~Transmission Provider~~the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. ~~Transmission Provider~~reservesThe Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but ~~Transmission Provider~~the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

The Interconnection Customer shall pay to ~~Transmission Provider~~the Participating TO on a periodic basis, as invoiced by ~~Transmission Provider~~, ~~Transmission Provider~~the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest—, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.

At any time during the contest, ~~Transmission Provider~~the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by ~~Transmission Provider~~the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the

preceding sentence. ~~Any settlement paragraph.~~ The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify Transmission Providerthe Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

5.17.8 Refund. In the event that (a) a private letter ruling is issued to ~~Transmission Providerthe Participating TO~~ which holds that any amount paid or the value of any property transferred by the Interconnection Customer to Transmission Providerthe Participating TO under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to ~~Transmission Providerthe Participating TO~~ in good faith that any amount paid or the value of any property transferred by the Interconnection Customer to Transmission Providerthe Participating TO under the terms of this LGIA is not taxable to ~~Transmission Providerthe Participating TO~~, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by the Interconnection Customer to Transmission Providerthe Participating TO are not subject to federal income tax, or (d) if ~~Transmission Providerthe Participating TO~~ receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by the Interconnection Customer to Transmission Providerthe Participating TO pursuant to this LGIA, ~~Transmission Providerthe Participating TO~~ shall promptly refund to the Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) on any amounts paid by the Interconnection Customer to Transmission Providerthe Participating TO for such taxes which ~~Transmission Providerthe Participating TO~~ did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR.C.F.R. §35.19a(a)(2)(ii) (iii) from the date payment was made by the Interconnection Customer to the date ~~Transmission Providerthe Participating TO~~ refunds such payment to the Interconnection Customer, and

(iii) with respect to any such taxes paid by ~~Transmission Providerthe Participating TO~~, any refund or credit ~~Transmission Providerthe Participating TO~~ receives or to which it may be entitled

from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to ~~Transmission Provider~~the Participating TO for such overpayment of taxes (including any reduction in interest otherwise payable by ~~Transmission Provider~~the Participating TO to any Governmental Authority resulting from an offset or credit); provided, however, that ~~Transmission Provider~~the Participating TO will remit such amount promptly to the Interconnection Customer only after and to the extent that ~~Transmission Provider~~the Participating TO has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to ~~Transmission Provider~~the Participating TO's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by the Interconnection Customer, and at the Interconnection Customer's sole expense, ~~Transmission Provider~~the ISO or Participating TO may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against ~~Transmission Provider~~the ISO or Participating TO for which the Interconnection Customer may be required to reimburse ~~Transmission Provider~~the ISO or Participating TO under the terms of this LGIA. The Interconnection Customer shall pay to ~~Transmission Provider~~the Participating TO on a periodic basis, as invoiced by ~~Transmission Provider~~the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The Interconnection Customer, the ISO, and ~~Transmission Provider~~the Participating TO shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by the Interconnection Customer to ~~Transmission Provider~~the ISO or Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, the Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by ~~Transmission Provider~~the Participating TO.

~~5.17.10 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the~~

~~Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.~~

5.18 Tax Status. Each Party shall cooperate with the ~~other~~others to maintain the other ~~Party's~~Parties' tax status. Nothing in this LGIA is intended to adversely affect ~~the ISO's or any Transmission Provider's~~Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. ~~Either Party~~The Interconnection Customer or the Participating TO may undertake modifications to its facilities, subject to the provisions of this LGIA and the ISO Tariff. If a Party plans to undertake a modification that reasonably may be expected to affect the other ~~Party's~~Parties' facilities, that Party shall provide to the other ~~Party~~Parties sufficient information regarding such modification so that the other ~~Party~~Parties may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other ~~Party~~Parties at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require the Interconnection Customer to submit an Interconnection Request, ~~Transmission Provider~~the ISO or Participating TO shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the ~~Transmission System, Transmission Provider~~ISO Controlled Grid, Participating TO's Interconnection Facilities or Network Upgrades or Distribution Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof. The Participating TO and the ISO shall determine if a Large Generating Facility modification is a Material Modification in accordance with the LGIP.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. ~~The~~ Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that ~~Transmission Provider~~ the Participating TO makes to ~~Transmission Provider~~ the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to ~~Transmission Provider~~ the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under ~~Transmission Provider's~~ the ISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to ~~Interconnection Customer's~~ the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection ~~Customer's Interconnection Facilities~~ consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. ~~Testing and Inspection~~

ARTICLE 6. TESTING AND INSPECTION

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, ~~Transmission Provider~~ the Participating TO shall test ~~Transmission Provider~~ the Participating TO's Interconnection Facilities and Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other ~~Party~~ Parties at least fourteen (14) days in advance of its performance of tests of its

Interconnection Facilities or Generating Facility. The other Party ~~has~~ Parties have the right, at ~~its~~ their own expense, to observe such testing.

- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe ~~the other~~ another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of ~~the other~~ another Party's System Protection Facilities and other protective equipment; and (iii) review ~~the other~~ another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. ~~Metering~~

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and ISO shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 and the Metering Protocol of the ISO Tariff. Unless otherwise agreed by the ~~Parties,~~ Transmission Provider shall install Participating TO and the Interconnection Customer, the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of ~~the Large~~ any Electric Generating Facility Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at ~~Transmission Provider's option~~ the ISO's or Participating TO's option for its respective Metering Equipment, compensated to, the Point of Interconnection. ~~Transmission Provider~~ The ISO shall provide metering quantities, ~~in analog and/or digital form,~~ to the Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system. The Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check ~~Transmission Provider~~ the ISO-pollled meters or the Participating TO's meters. Such check meters shall be

for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below in the case that no other means are available on a temporary basis at the option of the ISO or the Participating TO. The check meters shall be subject at all reasonable times to inspection and examination by ~~Transmission Provider or its designee~~ the ISO or Participating TO or their designees. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. ~~Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.~~ **Participating TO Retail Metering.** The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.

7.4 Testing of Metering Equipment. ~~Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.~~

7.5 Metering Data. ~~At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.~~

Article 8. Communications

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations. ~~The~~ Interconnection Customer shall maintain satisfactory operating communications with ~~Transmission Provider's Transmission System~~ the ISO in accordance with the provisions of the ISO Tariff and with the Participating TO's dispatcher or representative designated by Transmission Provider ~~the Participating TO~~. The Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. The Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to ~~Transmission Provider~~ the ISO and Participating TO as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by ~~Transmission Provider~~ the ISO and Participating TO. Any required maintenance of such communications equipment shall be performed by the Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of ~~the Large~~ each Electric Generating Facility ~~Unit~~, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by ~~Transmission Provider~~ the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by ~~Transmission Provider~~ the ISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by Transmission Provider ~~the Participating TO~~. Instantaneous bi-directional ~~analog~~-real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by ~~Transmission Provider~~ the Participating TO.

Each Party will promptly advise the other ~~Party~~ Parties if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by ~~the other~~ another Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

ARTICLE 9. OPERATIONS

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before Initial Synchronization Date, the Interconnection Customer shall notify Transmission Provider the ISO and Participating TO in writing of the Control Area in which the Large Generating Facility ~~will~~ intends to be located. If the Interconnection Customer elects ~~intends~~ to locate the Large Generating Facility in a Control Area other than the Control Area ~~in which~~ within whose electrically metered boundaries the Large Generating Facility is ~~physically~~ located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 ~~Transmission Provider~~ ISO and Participating TO Obligations. ~~Transmission Provider shall cause the Transmission System and Transmission Provider~~ The ISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider The ISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and ~~Transmission Provider's~~ Participating TO and ISO operating protocols and procedures as they may change from time to time. ~~Transmission Provider~~ The Participating TO and ISO will consider changes to ~~its~~ their operating protocols and procedures proposed by the Interconnection Customer.

9.4 Interconnection Customer Obligations. The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable

manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as including such requirements areas set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either A Party may request that the other another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of the Large each Electric Generating Facility to Transmission Provider's Transmission System. Unit to the ISO Controlled Grid.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria. tThe Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.950.90 lagging, unless Transmission Provider the ISO has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators Wind generators of the induction type must maintain unity power factor at the Point of Interconnection.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large an Electric Generating Facility with the Transmission System, Transmission Provider Unit with the ISO Controlled Grid, the ISO or Participating TO shall require the Interconnection Customer to operate the Large maintain a voltage schedule by operating the Electric Generating Facility Unit to produce or absorb reactive power within the design limitations of the Large Electric Generating Facility Unit set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider ISO's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the ISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the

~~Transmission System~~ISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Large Electric Generating Facility Unit to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). and as may be required by the ISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System OperatorISO and the Participating TO.

9.6.2.1 Governors and Regulators. Whenever the ~~Large~~an Electric Generating Facility Unit is operated in parallel with the ~~Transmission System~~ISO Controlled Grid and the speed governors (if installed on the ~~generating unit~~Electric Generating Unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, the Interconnection Customer shall operate the Large Electric Generating Facility Unit with its speed governors and voltage regulators in automatic operation. If the Large Electric Generating Facility Unit's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility the ISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Electric Generating Facility's generating unit Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission SystemISO Controlled Grid or trip any ~~generating unit~~Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency

condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. ~~Transmission Provider~~ISO is required to pay the Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from ~~the Largean Electric Generating Facility~~Unit when ~~Transmission Provider~~the ISO requests the Interconnection Customer to operate its ~~Large~~Electric Generating Facility~~Unit~~ outside the range specified in Article 9.6.1, provided that if ~~Transmission Provider~~the ISO pays ~~its own or affiliated~~other generators for reactive power service within the specified range, it must also pay the Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the ~~Parties~~ISO and Interconnection Customer have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other ~~Party~~Parties remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact ~~the other~~another Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to ~~the~~all Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other ~~Party~~Parties of such removal.

9.7.1.2 Outage Schedules. ~~Transmission Provider~~The ISO shall post scheduled outages of ~~its transmission~~ISO Controlled Grid facilities ~~on the OASIS~~in accordance with the provisions of the ISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to ~~Transmission Provider~~ for a minimum of a rolling ~~twenty-four month period~~the ISO in accordance with the ISO Tariff. The Interconnection Customer shall update its planned maintenance schedules ~~as necessary~~. ~~Transmission Provider~~in accordance with the ISO Tariff.

~~The ISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider~~ ISO Controlled Grid in accordance with the ISO 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 ISO. The ISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance in accordance with the ISO Tariff. The Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects ~~the other~~ another Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other ~~Party~~ Parties, to the extent such information is known, information on the nature of the Emergency Condition, if the outage is caused by an Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage, if requested by a Party, which may be provided by e-mail or facsimile.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, ~~Transmission Provider~~ the ISO or the Participating TO may require the Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect ~~Transmission Provider~~ the ISO's or the Participating TO's ability to perform such activities as are necessary to safely and reliably operate and maintain the

~~Transmission System~~ Participating TO's electric system or the ISO Controlled Grid. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the ~~Transmission System;~~ ISO Controlled Grid, subject to any conditions specified in this LGIA;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, ~~Transmission Provider~~ the ISO or Participating TO, as applicable, shall notify the Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification, if requested by the Interconnection Customer, as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, ~~when the interruption or reduction can be scheduled without advance notice, Transmission Provider~~ the ISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such ~~scheduling~~ interruption or reduction and further notify the Interconnection Customer of the expected duration. ~~Transmission Provider~~ The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer ~~and Transmission Provider, the ISO, and the Participating TO;~~

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, ~~and the Participating TO's Transmission System, and the ISO Controlled Grid~~ to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The ~~Transmission System~~ISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency ~~relay~~protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability ~~of the Transmission System~~. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with ~~Transmission Provider~~the Participating TO and ISO in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the ~~Transmission System~~ISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. ~~Transmission Provider~~The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on ~~Transmission Provider~~the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 ~~Each Party~~The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Council criteria and Good Utility Practice.

9.7.4.3 ~~Each Party~~The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 ~~Each Party~~The Participating TO's and Interconnection Customer's protective relay design shall incorporate the necessary test switches to perform the tests

required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's unitsElectric Generating Units.

9.7.4.5 ~~Each Party~~ The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice ~~and, if applicable, the requirements of the Participating TO's Interconnection Handbook.~~

9.7.4.6 Prior to the ~~In-Service Date~~in-service date, and again prior to the Commercial Operation Date, ~~each Party or its agent~~the Participating TO and Interconnection Customer or their agents shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by ~~Transmission Provider~~the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device ~~or switch~~ with load fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as

negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the ~~Transmission System~~ ISO Controlled Grid could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither ~~Party~~ the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, ~~or any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard.~~ In the event of a conflict between ANSI Standard C84.1-1989, ~~or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

9.8 Switching and Tagging Rules. Each Party shall provide the other ~~Party~~ Parties a copy of its switching and tagging rules that are applicable to the other ~~Party's~~ Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use ~~Transmission Provider~~ the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by ~~Transmission Provider~~ the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and

maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by ~~Transmission Provider~~the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or ~~Transmission Provider's Transmission System~~the ISO Controlled Grid by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. — Maintenance

ARTICLE 10. MAINTENANCE

- 10.1 ~~Transmission Provider~~Participating TO Obligations.** ~~Transmission Provider~~The Participating TO shall maintain the Participating TO's Transmission System and ~~Transmission Provider~~the Participating TO's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** The Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** ~~Each Party~~The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other ~~Party~~Parties. Each Party shall provide advance notice to the other ~~Party~~Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of ~~Transmission Provider~~the Participating TO's Interconnection Facilities.

Article 11. ~~Performance Obligation~~

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer's Interconnection Facilities. ~~The~~ Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A, ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades,~~ at its sole expense.

11.2 ~~Transmission Provider~~ Participating TO's Interconnection Facilities. ~~Transmission Provider or Transmission Owner~~The Participating TO shall design, procure, construct, install, own and/or control the ~~Transmission Provider~~Participating TO's Interconnection Facilities described in Appendix A, ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades,~~ at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. ~~Transmission Provider or Transmission Owner~~The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades.~~ The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. ~~Unless Transmission Provider or Transmission Owner~~the Participating TO elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Transmission Credits.

[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Upon the Commercial Operation Date, the Interconnection Customer shall be entitled to a cash-repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including the Participating TO for the cost of Network Upgrades, other than the amount by which the cost of those Network Upgrades is in excess of the benefits of those Network Upgrades, as determined by the economic test performed pursuant to LGIP Section 3.4.2. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, to and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any 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 LGIA 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. 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)-(ii) (iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

~~Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer pursuant to this subparagraph until all amounts advanced for Network Upgrades have been repaid.~~

~~If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades.~~

11.4.2 Special Provisions for Affected Systems. ~~Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, The~~ Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. ~~Thewith the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid, as applicable, in accordance with the LGIP. Such~~ agreement shall specify the terms governing payments to be made by ~~the~~ Interconnection Customer to the owner of the Affected System Operator and/or other affected owners of portions of the ISO Controlled Grid as well as the repayment by the owner of the Affected System Operator and/or other affected owners of portions of the ISO 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.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, 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 Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a ~~Transmission Provider's~~ Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide ~~Transmission Provider's~~ 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 ~~Transmission Provider's~~ the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of ~~Transmission Provider's~~ the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades ~~and,~~ operation and maintenance expenses for a period of four (4) months, and the

estimated costs to remove the Participating TO's Interconnection Facilities upon termination of this LGIA. Such security shall be reduced on a dollar-for-dollar basis, excluding security related to operation and maintenance expenses and removal costs, for payments made to ~~Transmission Provider~~the Participating TO for these purposes.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of ~~Transmission Provider~~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.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to ~~Transmission Provider~~the Participating TO and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to ~~Transmission Provider~~the Participating TO and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. ~~If Transmission Provider~~the ISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power); or 13.5.1 of this LGIA, ~~Transmission Provider~~the ISO shall compensate the Interconnection Customer in accordance with ~~Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.~~the ISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. ~~Transmission Provider or RTO or~~The ISO shall compensate the Interconnection Customer in accordance with the ISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the ~~Transmission System~~ISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

Article 12. Invoice

- 12.1 General.** ~~Each Party~~The Participating TO shall submit to the ~~other Party~~Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the ISO and another Party shall be submitted and paid in accordance with the ISO Tariff.
- 12.2 Final Invoice.** ~~Within six~~As soon as reasonably practicable, but within twelve months after completion of the construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and the Network Upgrades, ~~Transmission Provider~~and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and the Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. ~~Transmission Provider~~The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the ~~paying Party~~Interconnection Customer at the address specified in Appendix F. The ~~Party receiving the invoice shall pay the invoice~~Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the ~~other Party~~Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing ~~Party~~Interconnection Customer or Participating TO. Payment of invoices by ~~either~~any Party will not constitute a waiver of any rights or claims ~~either~~any Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between ~~Transmission Provider and the Interconnection Customer, Transmission Provider and the Participating TO, the Participating TO and the ISO~~ shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to ~~Transmission Provider~~the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then ~~Transmission Provider~~the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in ~~accord~~accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2). ~~(ii)~~ (iii). Notwithstanding the foregoing, any billing dispute between the ISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

ARTICLE 13. EMERGENCIES

Article 13.—Emergencies

13.1 Definition. ~~[Reserved]~~ "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures ~~agreed to by the Joint Operating Committee~~ set forth in this LGIA.

13.3 Notice. ~~Transmission Provider~~The Participating TO or the ISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects ~~Transmission Provider~~the Participating TO's Interconnection Facilities or the Transmission SystemDistribution System or the ISO Controlled Grid, respectively, that may reasonably be expected to affect the

Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify Transmission Provider, the Participating TO and the ISO promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider, ISO Controlled Grid or the Participating TO's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Transmission Provider, Participating TO's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the ISO may be publicly posted on the ISO's internet web site.

13.4 Immediate Action. Unless, in the Interconnection Customer's reasonable judgment, immediate action is required, the Interconnection Customer shall obtain the consent of Transmission Provider, the ISO and the Participating TO, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System declared by the Participating TO or ISO or in response to any other emergency condition.

13.5 Transmission Provider, ISO and Participating TO Authority.

13.5.1 General. Transmission Provider, The ISO and Participating TO may take whatever actions or inactions, including issuance of dispatch instructions, with regard to the Transmission System or Transmission Provider, ISO Controlled Grid or the Participating TO's Interconnection Facilities it deems or Distribution System they deem necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider, ISO Controlled Grid or the Participating TO's Interconnection Facilities, or Distribution System, and (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider, The Participating TO and the ISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Transmission Provider, The Participating TO or the ISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition,

including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with ~~blackstart~~ black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of ~~Transmission Provider~~ the ISO's and Participating TO's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. ~~Transmission Provider~~ The Participating TO or the ISO may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of ~~Transmission Provider~~ the ISO pursuant to ~~Transmission Provider's~~ the ISO Tariff. When ~~Transmission Provider~~ the ISO or Participating TO can schedule the reduction or disconnection in advance, ~~Transmission Provider~~ the ISO or Participating TO shall notify the Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. ~~Transmission Provider~~ The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and ~~Transmission Provider~~ the ISO and Participating TO. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the ~~Transmission System~~ ISO Controlled Grid to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice, this LGIA, and the ~~LGIA and the LGIP~~, ISO Tariff, the Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the ~~Transmission System and Transmission Provider~~ ISO Controlled Grid and the Participating TO's

Interconnection Facilities. ~~Transmission Provider~~The ISO and Participating TO shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, ~~neither~~no Party shall be liable to ~~the~~any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

~~Article 14. Regulatory Requirements and Governing Law~~

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

~~Article 15. Notices.~~

ARTICLE 15. NOTICES

- 15.1 General.** Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by ~~either~~a Party to ~~the other~~another and any instrument required or permitted to be tendered or delivered by ~~either~~a Party in writing to ~~the other~~another shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the

same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

~~Either~~A Party must update the information in Appendix F as information changes.
A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to ~~the other~~another and not required by this ~~Agreement~~LGIA to be given in writing may be so given by telephone, facsimile or ~~email~~email to the telephone numbers and ~~email~~email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice . Each Party shall notify the other ~~Party~~Parties in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

~~Article 16. Force Majeure~~

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 ~~Neither~~No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this ~~article~~Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

~~Article 17. Default~~

ARTICLE 17. DEFAULT

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act ~~of~~or omission of the other Party. Upon a Breach, the ~~affected non-breaching~~Breaching Party(~~ies~~) shall give written notice of such Breach to the ~~breaching~~Breaching Party. Except as provided in Article 17.1.2, the ~~breaching~~Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the ~~breaching~~Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this ~~article~~Article, or if a Breach is not capable of being cured within the period

provided for herein, the ~~affected non-breaching~~Breaching Party(ies) shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not ~~that such~~ Party(ies) terminates this LGIA, to recover from the ~~breaching~~Breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this ~~article~~Article will survive termination of this LGIA.

Article 18. ~~Indemnity, Consequential Damages and Insurance~~

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity. ~~The Parties~~Each Party shall at all times indemnify, defend, and hold the other Party~~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, Losses arising out of or resulting from ~~the other~~another Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified PersonParty. If an ~~Indemnified Person~~indemnified Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such ~~Indemnified Person~~indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an ~~Indemnifying~~indemnifying Party is obligated to indemnify and hold any ~~Indemnified Person~~indemnified Party harmless under this Article 18, the amount owing to the ~~Indemnified Person~~indemnified Party shall be the amount of such ~~Indemnified Person~~indemnified Party's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an ~~Indemnified Person~~indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the ~~Indemnified Person~~indemnified Party shall notify the ~~Indemnifying~~indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The ~~Indemnifying~~indemnifying Party shall have the right to assume the defense thereof with counsel designated by such ~~Indemnifying~~indemnifying Party and reasonably satisfactory to the ~~Indemnified Person~~indemnified Party. If the defendants in any such action include one or more ~~Indemnified Persons~~indemnified Parties and the ~~Indemnifying~~indemnifying Party and if the ~~Indemnified Person~~indemnified Party reasonably concludes that there may be legal defenses available to it and/or other ~~Indemnified Persons~~indemnified Parties which are different from or additional to those available to the ~~Indemnifying~~indemnifying Party, the ~~Indemnified Person~~indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the ~~Indemnifying~~indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an ~~Indemnified Person or Indemnified Persons~~indemnified Party or indemnified Parties having such differing or additional legal defenses.

The ~~Indemnified Person~~indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the ~~Indemnifying~~indemnifying Party. Notwithstanding the foregoing, the ~~Indemnifying~~indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the ~~Indemnified Person~~indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the ~~Indemnified Person~~indemnified Party, or there exists a conflict or adversity of interest between the ~~Indemnified Person~~indemnified Party and the ~~Indemnifying~~indemnifying Party, in such event the ~~Indemnifying~~indemnifying Party shall pay the reasonable expenses of the ~~Indemnified Person~~indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the ~~Indemnified Person~~indemnified Party, which shall not be ~~reasonably~~unreasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the ~~Liquidated Damages~~liquidated damages heretofore described, ~~in Article 5.3~~, in no event shall either ~~any~~any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to ~~the other~~another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

- 18.3 Insurance.** Each ~~party~~Party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other ~~Party~~Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of the ISO, the State of California:
- 18.3.1** ~~Employers~~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, except in the case of the ISO, the State of California.
- 18.3.2** 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) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** ~~Comprehensive~~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) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the ~~Employers~~Employer's Liability Commercial General Liability and ~~Comprehensive~~Business Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, ~~Comprehensive~~Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other ~~Party, its parent~~Parties, their parents, associated and Affiliate companies and their 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 LGIA against the Other Party Group and provide thirty (30) ~~days~~Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, ~~Comprehensive~~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 ~~issues~~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.
- 18.3.7** The Commercial General Liability Insurance, ~~Comprehensive~~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 LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** 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 LGIA.
- 18.3.9** Within ten (10) ~~days~~Calendar Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) ~~days~~Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior ~~secured debt is rated at investment grade~~unsecured debt or issuer rating is BBB- or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior ~~secured debt is~~unsecured debt rating and issuer rating are both unrated by Standard & Poor's or is ~~are~~ both rated at less than ~~investment grade~~BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this ~~article~~,Article 18.3.10, it shall notify the other ~~Party~~Parties that it meets the requirements to self-insure and that its self-insurance program

meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LGIA may be assigned by either a Party only with the written consent of the other Parties; provided that either a Party may assign this LGIA without the consent of the other Party Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of ~~Transmission Provider~~ the ISO or Participating TO, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify ~~Transmission Provider~~ the ISO and Participating TO of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this ~~article~~ Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify ~~Transmission Provider~~ the ISO and Participating TO of the date and particulars of any such exercise of assignment right(s), including providing the ~~Transmission Provider~~ ISO and Participating TO with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this ~~article~~ Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of ~~Transmission Provider~~ the Participating TO or ISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then

none of ~~these~~the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. — Comparability

ARTICLE 21. COMPARABILITY

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. — Confidentiality

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either any of the Parties to the other Parties prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the PartyParties receiving the information that the information is confidential.

If requested by either any Party, the other PartyParties shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non--confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to

Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of ~~the~~this LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other ~~Party~~Parties that it no longer is confidential.

22.1.3 Release of Confidential Information. ~~Neither~~No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, ~~employees, consultants,~~ or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a ~~need-~~to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other ~~Party~~Parties. The disclosure by each Party to the other ~~Party~~Parties of Confidential Information shall not be deemed a waiver by ~~either~~a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. ~~By providing~~The mere fact that a Party has provided Confidential Information, ~~neither Party makes any warranties or representations~~ does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, ~~neither~~no Party obligates itself to provide any particular information or Confidential Information to the other ~~Party~~Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information

solely to fulfill its obligations to the other ~~Party~~Parties under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either ~~any~~ Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other ~~Party~~Parties with prompt notice of such request(s) or requirement(s) so that the other ~~Party~~Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from ~~the other~~another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for ~~the other~~another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other ~~Party~~Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

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

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 ~~CFRC.F.R.~~ section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this

LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 ~~CFRC.F.R.~~ section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other ~~Party~~Parties to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other ~~Party~~Parties to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time ~~either~~any of the Parties may respond before such information would be made public, pursuant to 18 ~~CFRC.F.R.~~ section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, ~~any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information")~~ shall not be disclosed by the other ~~Party~~Parties to any person not employed or retained by the other ~~Party~~Parties, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other ~~Party~~Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other ~~Party~~Parties in writing of the information it claims is confidential. Prior to any disclosures of ~~the other~~another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

~~Article 23. Environmental Releases~~

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Each Party shall notify the other ~~Party~~Parties, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating

Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other ~~Party~~Parties. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other ~~Party~~Parties copies of any publicly available reports filed with any Governmental Authorities addressing such events.

Article 24. Information Requirements

ARTICLE 24. INFORMATION REQUIREMENTS

- 24.1 Information Acquisition.** ~~Transmission Provider and~~The Participating TO and ~~the~~ Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by ~~Transmission Provider~~Participating TO.** The initial information submission by ~~Transmission Provider~~the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the ~~Parties~~Participating TO and the Interconnection Customer. On a monthly basis ~~Transmission Provider~~the Participating TO shall provide the Interconnection Customer and the ISO a status report on the construction and installation of ~~Transmission Provider~~the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report"; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. The Interconnection Customer shall submit a completed copy of the ~~Large~~Electric Generating Facility Unit data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to ~~Transmission Provider for the Feasibility and Facilities Study~~the Participating TO and the ISO for the Interconnection Studies. Information in this submission shall be the most current ~~Large~~Electric Generating Facility Unit design or expected performance data. Information submitted for stability models shall be compatible with ~~Transmission Provider~~the Participating TO and ISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider, the Participating TO and the ISO for the Interconnection Studies, then the Participating TO and the ISO will conduct appropriate studies pursuant to the LGIP to determine the impact on Transmission Provider, the Participating TO's Transmission System and affected portions of the ISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.

24.4 Information Supplementation. Prior to the Trial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Large Electric Generating Facility Unit information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Electric Generating Facility Unit as required by Good Utility Practice such as an open circuit “step voltage” test on the Large Electric Generating Facility Unit to verify proper operation of the Large Electric Generating Facility Unit's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Electric Generating Facility Unit at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in Large Electric Generating Facility Unit terminal voltage initiated by a change in the voltage regulators reference voltage. The Interconnection Customer shall provide validated test recordings showing the responses of Large Electric Generating Facility Unit terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Electric Generating Facility Unit's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Electric Generating Facility Unit terminal or field voltages is provided. Large Electric Generating Facility Unit testing shall be conducted and results provided to Transmission Provider, the Participating TO and the ISO for each individual generating unit Electric Generating Unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide Transmission Provider, the Participating TO and the ISO any information changes due to equipment replacement, repair, or adjustment. Transmission Provider, The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission

~~Provider~~ Participating TO-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information ~~no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment pursuant to Article 5.19.~~

Article 25. ~~Information Access and Audit Rights~~

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the ISO to make available to a Party any third party information in its possession or control if making such third party information available would violate an ISO Tariff restriction on the use or disclosure of such third party information.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other ~~Party~~ Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this ~~article~~ Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, ~~each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's~~ the Parties' audit rights shall include audits of a Party's costs pertaining to such Party's performance or satisfaction of obligations owed to the other Party under this LGIA. ~~Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's~~ the ISO's efforts to allocate responsibility for the provision of reactive support to the ~~Transmission System, Transmission Provider's~~ ISO Controlled Grid, the ISO's efforts to allocate responsibility for interruption or reduction of generation on the ~~Transmission System~~ ISO Controlled Grid, and each such Party's actions in an Emergency Condition. ~~Any~~

25.3.1 The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this articleArticle shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party's performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.3.2 Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of ~~Transmission Provider~~Participating TO's Interconnection Facilities and, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following ~~Transmission Provider~~the Participating TO's issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the ISO for a period of twenty-four months following the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.

25.5 Audit Results. If an audit by a ~~Party~~ the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination. The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.

25.5.1 Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff, and the ISO's process for remedying an overpayment or underpayment shall be as set forth in the ISO Tariff.

Article 26. — Subcontractors **ARTICLE 26. SUBCONTRACTORS**

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party 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 ~~Transmission Provider~~ the ISO or Participating TO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

Article 27. — Disputes

All disputes arising out of or in connection with this LGIA whereby relief is sought by or from the ISO shall be settled in accordance with the provisions of Article 13 of the ISO Tariff, except that references to the ISO Tariff in such Article 13 of the ISO Tariff shall

be read as references to this LGIA. Disputes arising out of or in connection with this LGIA not subject to provisions of Article 13 of the ISO Tariff shall be resolved as follows:

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations ~~or RTO rules~~; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC

if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

~~Article 29. Joint Operating Committee~~ **ARTICLE 29. [RESERVED]**

~~29.1 Joint Operating Committee.~~ Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- ~~29.1.1~~ Establish data requirements and operating record requirements.
- ~~29.1.2~~ Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- ~~29.1.3~~ Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- ~~29.1.4~~ Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the

~~interconnection of the Large Generating Facility to the Transmission System.~~

~~29.1.5 Ensure that information is being provided by each Party regarding equipment availability.~~

~~29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.~~

~~Article 30. Miscellaneous~~

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement ~~between~~among the Parties with

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

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. ~~Transmission Provider~~The ISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA ~~with respect to any rates, terms and conditions, charges, classifications of~~

service, rule or regulation underpursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.4, 4.5, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the ISO below.

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

2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.

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

3.2, 4.3, 4.6, 11.6, 25.3.2, 25.5.1, and 27 preamble.

The Interconnection Customer, the ISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by ~~the other~~ another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership ~~between~~among the Parties or to impose any partnership obligation or partnership liability upon ~~either~~any Party. ~~Neither~~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, ~~the other~~another Party.

30.13 Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the ISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.

IN WITNESS WHEREOF, the Parties have executed this LGIA in ~~duplicate~~multiple originals, each of which shall constitute and be an original effective Agreement between ~~agreement among~~ the Parties.

[Insert name of ~~Transmission Provider or Transmission Owner, if applicable~~Participating TO]

By: _____ By: _____

Title: _____

Date: _____

California Independent System Operator Corporation

By: _____

Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Appendices to LGIA

Appendix A to LGIA Interconnection Facilities, Network Upgrades and
Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Reliability Management System Agreement

Appendix H Requirements of Generators Relying on New Technologies

Appendix A
To LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert ~~Transmission Provider~~ Participating TO's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

(i) [insert Participating TO's Reliability Network Upgrades]

(ii) [insert Participating TO's Delivery Network Upgrades]

3. Distribution Upgrades:

**Appendix B to
To LGIA**

Milestones

**Appendix C to
To LGIA**

Interconnection Details

Appendix D to To LGIA

Security Arrangements Details

Infrastructure security of ~~Transmission System~~ ISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day ~~Transmission System~~ ISO Controlled Grid reliability and operational security. FERC will expect the ISO, all Transmission Providers Participating TOs, market participants, and Interconnection Customers interconnected to the ~~Transmission System~~ ISO Controlled Grid 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 will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

The Interconnection Customer shall meet the requirements for security implemented pursuant to the ISO Tariff, including the ISO's standards for information security posted on the ISO's internet web site at the following internet address: <http://www.caiso.com/pubinfo/info-security/index.html>.

**Appendix E to
To LGIA**

Commercial Operation Date

This Appendix E is a part of the LGIA ~~between Transmission Provider and Interconnection Customer.~~

[Date]

~~[Transmission Provider]~~ **[ISO Address]**

[Participating TO Address]

Re: _____ ~~Large~~ Electric ~~Generating Facility~~ Unit

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the ~~Large~~ Electric ~~Generating Facility~~ Unit, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

**Appendix F to
To LGIA**

Addresses for Delivery of Notices and Billings

Notices:

— Transmission Provider:
ISO:

[To be supplied.]

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:
Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

ISO:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or ~~email~~mail):

ISO:

[To be supplied.]

~~Transmission Provider:~~
Participating TO:

~~[To be supplied.]~~

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Appendix G
To LGIA

Reliability Management System Agreement

Appendix G to H
To LGIA

Requirements of Generators Relying on Newer Technologies

ATTACHMENT C

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this ____ day of _____ 20____, by and among _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), _____, a corporation organized and existing under the laws of the State of California ("**Participating TO**"), and **California Independent System Operator Corporation**, a California nonprofit public benefit corporation organized and existing under the laws of the State of California ("ISO"). Interconnection Customer, Participating TO, and ISO each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, ISO exercises Operational Control over the ISO Controlled Grid; and

WHEREAS, the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this LGIA; and

WHEREAS, Interconnection Customer, Participating TO, and ISO have agreed to enter into this LGIA for the purpose of interconnecting the Large Generating Facility with the Participating TO's Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this LGIA, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the ISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TO's electric system that is not part of the ISO Controlled Grid.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

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

Applicable Reliability Council shall mean the Western Electricity Coordinating Council or its successor.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Participating TO's Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this LGIA.

Breaching Party shall mean a Party that is in Breach of this LGIA.

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

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Commercial Operation shall mean the status of an Electric Generating Unit at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of an Electric Generating Unit shall mean the date on which the Electric Generating Unit at the Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO and the Interconnection Customer pursuant to Appendix E to this LGIA.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise, subject to Article 22.1.2.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of this LGIA.

Distribution System shall mean those non-ISO-controlled transmission and distribution facilities owned by the Participating TO.

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

Effective Date shall mean the date on which this LGIA becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Electric Generating Unit shall mean an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the ISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the ISO Controlled Grid or the electric systems of others to which the ISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4)

that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.*

FERC shall mean the Federal Energy Regulatory Commission or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

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

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which an Electric Generating Unit is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Participating TO’s Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this LGIA, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Participating TO’s Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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

Interconnection Facilities Study shall mean the study conducted by the Participating TO, the ISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO’s Transmission System.

Interconnection Facilities Study Agreement shall mean the agreement between the Interconnection Customer and the Participating TO or the ISO for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean the preliminary evaluation conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the

Generating Facility to the Participating TO's Transmission System, and, if reasonably practicable, an informational assessment, as needed, of other affected owners' portions of the ISO Controlled Grid.

Interconnection Handbook shall mean a handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

Interconnection Request shall mean a request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the ISO Tariff.

Interconnection Service shall mean the service provided by the Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the Participating TO's Transmission System and enabling the ISO Controlled Grid to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this LGIA, the Participating TO's Transmission Owner Tariff, and the ISO Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study performed by the Participating TO, the ISO, or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean the engineering study conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

IRS shall mean the Internal Revenue Service.

ISO Controlled Grid shall mean the system of transmission lines and associated facilities of the parties to the Transmission Control Agreement that have been placed under the ISO's Operational Control.

ISO Tariff shall mean the ISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Large Generating Facility shall mean a Generating Facility.

Loss shall mean any and all damages, losses, and claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed for measuring the output of the Generating Facility pursuant to this LGIA at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

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

Network Upgrades shall be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.

Operational Control shall mean the rights of the ISO under the Transmission Control Agreement and the ISO 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.

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the ISO Controlled Grid.

Participating TO's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this

LGIA, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

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

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

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this LGIA, where the Interconnection Facilities connect to the Participating TO's Transmission System.

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

Scoping Meeting shall mean the meeting among representatives of the Interconnection Customer, the Participating TO, and the ISO conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Stand Alone Network Upgrades shall mean Network Upgrades that the Interconnection Customer may construct without affecting day-to-day operations of the ISO Controlled Grid or Affected Systems during their construction. The Participating TO, the ISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the ISO protocol that sets forth the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the ISO Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, that protects (1) the Participating TO's Transmission System, Participating TO's Interconnection Facilities, ISO Controlled Grid, and Affected Systems from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the ISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems or on other delivery systems or other generating systems to which the ISO Controlled Grid is directly connected.

Transmission Control Agreement shall mean ISO FERC Electric Tariff No. 7.

Trial Operation shall mean the period during which the Interconnection Customer is engaged in on-site test operations and commissioning of an Electric Generating Unit prior to Commercial Operation.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

- 2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. The ISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.
- 2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ____ years from the Effective Date (***Term Specified in Individual Agreements to be ten (10) years or such other longer period as the Interconnection Customer may request***) and shall be automatically renewed for each successive one-year period thereafter.
- 2.3 Termination Procedures.**
- 2.3.1 Written Notice.** This LGIA may be terminated by the Interconnection Customer after giving the ISO and the Participating TO ninety (90) Calendar Days advance written notice, or by the ISO and the Participating

TO notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. A Party may terminate this LGIA in accordance with Article 17.

2.3.3 Suspension of Work. This LGIA may be deemed terminated in accordance with Article 5.16.

2.3.4 Notwithstanding Articles 2.3.1, 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

2.4 Termination Costs. If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or ISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.

2.4.1 Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.

- 2.4.2** The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE

- 3.1 Filing.** The Participating TO and the ISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the Participating TO and ISO with respect to such filing and to provide any information reasonably requested by the Participating TO or ISO needed to comply with applicable regulatory requirements.
- 3.2 Agreement Subject to ISO Tariff.** The Interconnection Customer will comply with all applicable provisions of the ISO Tariff, including the LGIP.

3.3 Relationship Between this LGIA and the ISO Tariff.

[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]

ARTICLE 4. SCOPE OF SERVICE

- 4.1 Interconnection Service.** Interconnection Service allows the Interconnection Customer to connect the Large Generating Facility to the Participating TO's Transmission System and be eligible to deliver the Large Generating Facility's output using the available capacity of the ISO Controlled Grid. To the extent the Interconnection Customer wants to receive Interconnection Service, the Participating TO shall construct facilities identified in Appendices A and C that the Participating TO is responsible to construct.

Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on the ISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on the ISO Controlled Grid, the Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in the ISO Tariff in the same manner as all other resources.

- 4.2 Provision of Service.** The Participating TO and the ISO shall provide Interconnection Service for the Large Generating Facility.
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is the ISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to FERC for approval.
- 4.4 No Transmission Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission service under the ISO Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

Interconnection Facilities, Network Upgrades, and Distribution Upgrades shall be studied, designed, and constructed pursuant to Good Utility Practice. Such studies, design and construction shall be based on the assumed accuracy and completeness of all technical information received by the Participating TO and the ISO from the Interconnection Customer associated with interconnecting the Large Generating Facility.

5.1 Options. Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Participating TO's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Participating TO reasonably expects that it will not be able to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the specified dates, the Participating TO shall promptly provide written notice to the Interconnection Customer and the ISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by the Interconnection Customer are acceptable to the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities by the designated dates.

If the Participating TO subsequently fails to complete the Participating TO's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network

Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; the Participating TO shall pay the Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by the Interconnection Customer shall be extended day for day for each day that the ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build. If the dates designated by the Interconnection Customer are not acceptable to the Participating TO, the Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, the Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades. If the Interconnection Customer elects to exercise its option to assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, it shall so notify the Participating TO within thirty (30) Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO. The Participating TO, ISO, and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to this LGIA. Except for Stand Alone Network Upgrades, the Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If the Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, the Interconnection Customer shall so notify the Participating TO within thirty (30) Calendar Days of receipt of the Participating TO's notification that the designated dates are not acceptable to the Participating TO, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades by the Interconnection Customer) pursuant to which the Participating TO is responsible for the design, procurement and construction of the Participating TO's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, the Participating TO shall assume responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Network Upgrades pursuant to Article 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If the Interconnection Customer assumes responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades,

(1) the Interconnection Customer shall engineer, procure equipment, and construct the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Participating TO;

(2) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which the Participating TO would be subject in the engineering, procurement or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(3) the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the ISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, the Interconnection Customer shall provide to the Participating TO, with a copy to the ISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from the Participating TO;

(5) at any time during construction, the Participating TO shall have the right to gain unrestricted access to the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;

(7) the Interconnection Customer shall indemnify the ISO and Participating TO for claims arising from the Interconnection Customer's construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) The Interconnection Customer shall transfer control of the Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO;

(9) Unless the Parties otherwise agree, the Interconnection Customer shall transfer ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO. As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, which invoice shall set forth such costs in sufficient detail to enable the Participating TO to reflect the proper costs of such facilities in its transmission rate base and to identify the investment upon which refunds will be provided;

(10) the Participating TO shall accept for operation and maintenance the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of the "Option to Build" conditions set forth in Appendix C. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by the Participating TO to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by the Participating TO.

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Participating TO pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated

damages paid by the Participating TO to the Interconnection Customer in the event that the Participating TO does not complete any portion of the Participating TO's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades for which the Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Participating TO to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the ISO and/or Participating TO, action or inaction by the ISO, or any cause beyond the Participating TO's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

In no event shall the ISO have any responsibility or liability to the Interconnection Customer for liquidated damages pursuant to the provisions of this Article 5.3.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council and in accordance with the provisions of Section 5.4.1 of the ISO Tariff. The ISO reserves the right to establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating

limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the ISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. The ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this Article 5.4 shall not apply to wind generators of the induction type.

5.5 Equipment Procurement. If responsibility for construction of the Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the Participating TO, then the Participating TO shall commence design of the Participating TO's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Participating TO has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 The Participating TO has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 The Interconnection Customer has provided security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. The Participating TO shall commence construction of the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Participating TO's Interconnection Facilities and Network Upgrades;

5.6.3 The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and

- 5.6.4** The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified in-service date, the Interconnection Customer will provide written notice to the Participating TO and ISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or ISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and ISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.
- 5.10.1 Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the ISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date.

The Participating TO and the ISO shall review such specifications pursuant to this LGIA and the LGIP to ensure that the Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the ISO and comment on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Participating TO's and ISO's Review. The Participating TO's and the ISO's review of the Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall make such changes to the Interconnection Customer's Interconnection Facilities as may reasonably be required by the Participating TO or the ISO, in accordance with Good Utility Practice, to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, Operational Control, and safety requirements of the Participating TO or the ISO.

5.10.3 Interconnection Customer's Interconnection Facilities Construction. The Interconnection Customer's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Participating TO and ISO "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Unit(s), such as: a one-line diagram, a site plan showing the Large Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Electric Generating Units. The Interconnection Customer shall provide the Participating TO and the ISO specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the

Interconnection Customer shall be assessed by the Participating TO and the ISO pursuant to the appropriate provisions of this LGIA and the LGIP.

5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.

5.11 Participating TO's Interconnection Facilities Construction. The Participating TO's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Participating TO shall deliver to the Interconnection Customer and the ISO the following "as-built" drawings, information and documents for the Participating TO's Interconnection Facilities [**include appropriate drawings and relay diagrams**].

The Participating TO will obtain control for operating and maintenance purposes of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities. Pursuant to Article 5.2, the ISO will obtain Operational Control of the Stand Alone Network Upgrades prior to the Commercial Operation Date.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish *at no cost* to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically

undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.

- 5.14 Permits.** Appendix C specifies the allocation of the responsibilities of the Participating TO and the Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. The Parties shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. With respect to this paragraph, the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** The Interconnection Customer may request the Participating TO to construct, and the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** The Interconnection Customer reserves the right, upon written notice to the Participating TO and the ISO, to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA with the condition that the Participating TO's electrical system and the ISO Controlled Grid shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Participating TO's safety and reliability criteria and the ISO's Applicable Reliability Standards. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the ISO, if no effective date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by the Interconnection Customer to the Participating TO for the installation of the Participating TO's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as a refundable advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, the Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the ISO Controlled Grid, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Participating TO for the Participating TO's Interconnection Facilities will be capitalized by the Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Participating TO's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At the Participating TO's request, the Interconnection Customer shall provide the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. The Participating TO represents and covenants that the cost of the Participating TO's Interconnection Facilities paid for by the Interconnection Customer without

the possibility of refund or credit will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequence of Current Tax Liability

Imposed Upon the Participating TO. Notwithstanding Article 5.17.1, the Interconnection Customer shall protect, indemnify and hold harmless the Participating TO from the cost consequences of any current tax liability imposed against the Participating TO as the result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by the Participating TO.

The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation; provided, however, that the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the later 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 date the risk of subsequent taxability as described in Article 5.17.6 no longer exists, as reasonably determined by the Participating TO.

5.17.4 Tax Gross-Up Amount.

The Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that the Interconnection Customer will pay the Participating TO, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on the Participating TO ("Current Taxes") on the excess of (a) the gross income realized by the Participating TO as a

result of payments or property transfers made by the Interconnection Customer to the Participating TO under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit the Participating TO to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on the Participating TO's composite federal and state tax rates at the time the payments or property transfers are received and the Participating TO will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Participating TO's anticipated tax depreciation deductions as a result of such payments or property transfers by the Participating TO's current weighted average cost of capital. Thus, the formula for calculating the Interconnection Customer's liability to the Participating TO pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At the Interconnection Customer's request and expense, the Participating TO shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by the Interconnection Customer to the Participating TO under this LGIA are subject to federal income taxation. The Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of the Interconnection Customer's knowledge. The Participating TO and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, provided, however, the Interconnection Customer and the Participating TO explicitly acknowledge (and nothing herein is intended to alter) Participating TO's obligation under law to certify that the facts presented in the ruling request are true, correct and complete.

The Participating TO shall keep the Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes the Interconnection Customer to

participate in all discussions with the IRS regarding such request for a private letter ruling. The Participating TO shall allow the Interconnection Customer to attend all meetings with IRS officials about the request and shall permit the Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If (i) the Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and the Participating TO retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on the Participating TO, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that the Participating TO's receipt of payments or property constitutes income that is subject to taxation, the Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. The Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

The Interconnection Customer shall pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest, including any costs associated with obtaining the opinion of independent tax counsel described in this Article 5.17.7. The Participating TO may abandon any contest if the Interconnection Customer fails to provide payment to the Participating TO within thirty (30) Calendar Days of receiving such invoice.

At any time during the contest, the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding paragraph. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

5.17.8 Refund. In the event that (a) a private letter ruling is issued to the Participating TO which holds that any amount paid or the value of any property transferred by the Interconnection Customer to the Participating TO under the terms of this LGIA is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to the Participating TO in good faith that any amount paid or the value of any property transferred by the Interconnection Customer to the Participating TO under the terms of this LGIA is not taxable to the Participating TO, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by the Interconnection Customer to the Participating TO are not subject to federal income tax, or (d) if the Participating TO receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by the Interconnection Customer to the Participating TO pursuant to this LGIA, the Participating TO shall promptly refund to the Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) on any amounts paid by the Interconnection Customer to the Participating TO for such taxes which the Participating TO did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by the Interconnection Customer to the date the Participating TO refunds such payment to the Interconnection Customer, and

(iii) with respect to any such taxes paid by the Participating TO, any refund or credit the Participating TO receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to the Participating TO for such overpayment of taxes (including any reduction in interest otherwise payable by the Participating TO to any Governmental Authority resulting from an offset or credit); provided, however, that the Participating TO will remit such amount promptly to the Interconnection Customer only after and to the extent that the Participating TO has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Participating TO's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by the Interconnection Customer, and at the Interconnection Customer's sole expense, the ISO or Participating TO may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the ISO or Participating TO for which the Interconnection Customer may be required to reimburse the ISO or Participating TO under the terms of this LGIA. The Interconnection Customer shall pay to the Participating TO on a periodic basis, as invoiced by the Participating TO, the Participating TO's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The Interconnection Customer, the ISO, and the Participating TO shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by the Interconnection Customer to the ISO or Participating TO for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, the Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Participating TO.

5.18 Tax Status. Each Party shall cooperate with the others to maintain the other Parties' tax status. Nothing in this LGIA is intended to adversely affect the ISO's or any Participating TO's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. The Interconnection Customer or the Participating TO may undertake modifications to its facilities, subject to the provisions of this LGIA and the ISO Tariff. If a Party plans to undertake a modification that reasonably may be expected to affect the other Parties' facilities, that Party shall provide to the other Parties sufficient information regarding such modification so that the other Parties may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Parties at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require the Interconnection Customer to submit an Interconnection Request, the ISO or Participating TO shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the ISO Controlled Grid, Participating TO's Interconnection Facilities, Network Upgrades or Distribution Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof. The Participating TO and the ISO shall determine if a Large Generating Facility modification is a Material Modification in accordance with the LGIP.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 Modification Costs. The Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that the Participating TO makes to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the Participating TO's Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service to a third party under the ISO Tariff. The Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, the Participating TO shall test the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Parties at least fourteen (14) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety,

desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and ISO shall comply with the provisions of the ISO Tariff regarding metering, including Section 10 and the Metering Protocol of the ISO Tariff. Unless otherwise agreed by the Participating TO and the Interconnection Customer, the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of any Electric Generating Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at the ISO's or Participating TO's option for its respective Metering Equipment, compensated to, the Point of Interconnection. The ISO shall provide metering quantities to the Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system. The Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the ISO-pollled meters or the Participating TO's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except in the case that no other means are available on a temporary basis at the option of the ISO or the Participating TO. The check meters shall be subject at all reasonable times to inspection and examination by the ISO or Participating TO or their designees. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Participating TO Retail Metering.** The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.

ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** The Interconnection Customer shall maintain satisfactory operating communications with the ISO in accordance with the provisions of the ISO Tariff and with the Participating TO's dispatcher or representative designated by the Participating TO. The Interconnection

Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. The Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to the ISO and Participating TO as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by the ISO and Participating TO. Any required maintenance of such communications equipment shall be performed by the Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the ISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.

Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.

Each Party will promptly advise the other Parties if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by another Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

- 9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability

Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the ISO and Participating TO in writing of the Control Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Control Area other than the Control Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.
- 9.3 ISO and Participating TO Obligations.** The ISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The ISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and ISO operating protocols and procedures as they may change from time to time. The Participating TO and ISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the ISO Controlled Grid.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria. The Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the ISO has established different requirements that apply to all generators in the Control Area on a comparable basis. Wind generators of the induction type must maintain unity power factor at the Point of Interconnection.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized an Electric Generating Unit with the ISO Controlled Grid, the ISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). ISO's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the ISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the ISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the ISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the ISO and the Participating TO.

9.6.2.1 Governors and Regulators. Whenever an Electric Generating Unit is operated in parallel with the ISO Controlled Grid and the speed governors (if installed on the Electric Generating Unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, the Interconnection Customer shall operate the Electric Generating Unit with its speed governors and voltage regulators in automatic operation. If the Electric Generating

Unit's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify the ISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Electric Generating Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the ISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the ISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the ISO Controlled Grid or trip any Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. ISO is required to pay the Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from an Electric Generating Unit when the ISO requests the Interconnection Customer to operate its Electric Generating Unit outside the range specified in Article 9.6.1, provided that if the ISO pays other generators for reactive power service within the specified range, it must also pay the Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the ISO and Interconnection Customer have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Parties remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact another Party's facilities as necessary to perform

maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to all Parties. In all circumstances any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Parties of such removal.

9.7.1.2 Outage Schedules. The ISO shall post scheduled outages of ISO Controlled Grid facilities in accordance with the provisions of the ISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the ISO in accordance with the ISO Tariff. The Interconnection Customer shall update its planned maintenance schedules in accordance with the ISO Tariff. The ISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the ISO Controlled Grid in accordance with the ISO 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 ISO. The ISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance in accordance with the ISO Tariff. The Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects another Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Parties, to the extent such information is known, information on the nature of the Emergency Condition, if the outage is caused by an Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice

explaining the nature of the outage, if requested by a Party, which may be provided by e-mail or facsimile.

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, the ISO or the Participating TO may require the Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect the ISO's or the Participating TO's ability to perform such activities as are necessary to safely and reliably operate and maintain the Participating TO's electric system or the ISO Controlled Grid. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

- 9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the ISO Controlled Grid, subject to any conditions specified in this LGIA;
- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, the ISO or Participating TO, as applicable, shall notify the Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification, if requested by the Interconnection Customer, as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, the ISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the ISO, and the Participating TO;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, the Participating TO's Transmission System, and the ISO

Controlled Grid to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The ISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and ISO in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the ISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Council criteria and Good Utility Practice.

9.7.4.3 The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 The Participating TO's and Interconnection Customer's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow

operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's Electric Generating Units.

9.7.4.5 The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.

9.7.4.6 Prior to the in-service date, and again prior to the Commercial Operation Date, the Participating TO and Interconnection Customer or their agents shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection

Customer's other equipment if conditions on the ISO Controlled Grid could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Parties a copy of its switching and tagging rules that are applicable to the other Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If

the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the ISO Controlled Grid by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

ARTICLE 10. MAINTENANCE

- 10.1 Participating TO Obligations.** The Participating TO shall maintain the Participating TO's Transmission System and the Participating TO's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** The Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Parties. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's

Interconnection Facilities; and (2) operation, maintenance, repair and replacement of the Participating TO's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Participating TO's Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Participating TO elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be solely funded by the Interconnection Customer.
- 11.4 Transmission Credits.**

[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER ACCOMPANYING THIS JOINT LGIA FILING, FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]

11.4.1 Repayment of Amounts Advanced for Network Upgrades.

Upon the Commercial Operation Date, 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, other than the amount by which the cost of those Network Upgrades is in excess of the benefits of those Network Upgrades, as determined by the economic test performed pursuant to LGIP Section 3.4.2. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the 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 LGIA 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. 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. The Interconnection Customer may assign such repayment rights to any person.

11.4.2 Special Provisions for Affected Systems. The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid, as applicable, in accordance with the LGIP. 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 ISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the ISO 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.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, 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 Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution 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 identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, operation and maintenance expenses for a period of four (4) months, and the estimated costs to remove the Participating

TO's Interconnection Facilities upon termination of this LGIA. Such security shall be reduced on a dollar-for-dollar basis, excluding security related to operation and maintenance expenses and removal costs, for payments made to the Participating TO for these purposes.

In addition:

11.5.1 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.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to the Participating TO and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If the ISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the ISO shall compensate the Interconnection Customer in accordance with the ISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. The ISO shall compensate the Interconnection Customer in accordance with the ISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the ISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

12.1 General. The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the ISO and another Party shall be submitted and paid in accordance with the ISO Tariff.

- 12.2 Final Invoice.** As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the ISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the ISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

ARTICLE 13. EMERGENCIES

13.1 [Reserved]

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the ISO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures set forth in this LGIA.

13.3 Notice. The Participating TO or the ISO shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Participating TO's Interconnection Facilities or Distribution System or the ISO Controlled Grid, respectively, that may reasonably be expected to affect the Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall notify the Participating TO and the ISO promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the ISO Controlled Grid or the Participating TO's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of the Interconnection Customer's or Participating TO's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice, if requested by a Party, which may be provided by electronic mail or facsimile, or in the case of the ISO may be publicly posted on the ISO's internet web site.

13.4 Immediate Action. Unless, in the Interconnection Customer's reasonable judgment, immediate action is required, the Interconnection Customer shall obtain the consent of the ISO and the Participating TO, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition declared by the Participating TO or ISO or in response to any other emergency condition.

13.5 ISO and Participating TO Authority.

13.5.1 General. The ISO and Participating TO may take whatever actions or inactions, including issuance of dispatch instructions, with regard to the ISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System they deem necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the ISO Controlled Grid or the Participating TO's Interconnection Facilities or Distribution System, and (iii) limit or prevent damage, and (iv) expedite restoration of service.

The Participating TO and the ISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the ISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the ISO's and Participating TO's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. The Participating TO or the ISO may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the ISO pursuant to the ISO Tariff. When the ISO or Participating TO can schedule the reduction or disconnection in advance, the ISO or Participating TO shall notify the Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the ISO and Participating TO. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the ISO Controlled Grid to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice, this LGIA, and the ISO Tariff, the Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the ISO Controlled Grid and the Participating TO's Interconnection Facilities. The ISO and Participating TO shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

- 15.1 General.** Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another and any instrument required or permitted to be tendered or delivered by a Party in writing to another shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail,

addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

A Party must update the information in Appendix F as information changes. A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another and not required by this LGIA to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Parties in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act or omission of the other Party. Upon a Breach, the affected non-Breaching Party(ies) shall give written notice of such Breach to the Breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

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

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from, any and all Losses arising out of or resulting from another Party's action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Party. If an indemnified Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article 18, the amount

owing to the indemnified Party shall be the amount of such indemnified Party's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified Party. If the defendants in any such action include one or more indemnified Parties and the indemnifying Party and if the indemnified Party reasonably concludes that there may be legal defenses available to it and/or other indemnified Parties which are different from or additional to those available to the indemnifying Party, the indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified Party or indemnified Parties having such differing or additional legal defenses.

The indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified Party, or there exists a conflict or adversity of interest between the indemnified Party and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

18.2 Consequential Damages. Other than the liquidated damages heretofore described in Article 5.3, in no event shall any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided,

however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

- 18.3 Insurance.** Each Party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of the ISO, the State of California:
- 18.3.1** 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, except in the case of the ISO, the State of California.
 - 18.3.2** 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) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
 - 18.3.3** 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) per occurrence for bodily injury, including death, and property damage.
 - 18.3.4** 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 Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
 - 18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Parties, their parents, associated and Affiliate companies and their 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 LGIA against the Other Party Group and 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.

- 18.3.6** 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.
- 18.3.7** 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 LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** 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 LGIA.
- 18.3.9** Within ten (10) Calendar Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the

requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This LGIA may be assigned by a Party only with the written consent of the other Parties; provided that a Party may assign this LGIA without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that the Interconnection Customer shall have the right to assign this LGIA, without the consent of the ISO or Participating TO, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will promptly notify the ISO and Participating TO of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the ISO and Participating TO of the date and particulars of any such exercise of assignment right(s), including providing the ISO and Participating TO with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Participating TO or ISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties'

rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

- 21.1 Comparability.** The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

- 22.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to the other Parties prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Parties receiving the information that the information is confidential.

If requested by any Party, the other Parties shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

- 22.1.1 Term.** During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

- 22.1.2 Scope.** Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of this LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is

otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Parties. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by a Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties. The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other

Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received

by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112.

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

22.1.11 Subject to the exception in Article 22.1.10, Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Each Party shall notify the other Parties, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Parties copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 Information Acquisition. The Participating TO and the Interconnection Customer shall submit specific information regarding the electrical characteristics

of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Participating TO. The initial information submission by the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Participating TO and the Interconnection Customer. On a monthly basis the Participating TO shall provide the Interconnection Customer and the ISO a status report on the construction and installation of the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. The Interconnection Customer shall submit a completed copy of the Electric Generating Unit data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to the Participating TO and the ISO for the Interconnection Studies. Information in this submission shall be the most current Electric Generating Unit design or expected performance data. Information submitted for stability models shall be compatible with the Participating TO and ISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to the Participating TO and the ISO for the Interconnection Studies, then the Participating TO and the ISO will conduct appropriate studies pursuant to the LGIP to determine the impact on the Participating TO's Transmission System and affected portions of the ISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.

24.4 Information Supplementation. Prior to the Trial Operation date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Electric Generating Unit information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Electric Generating Unit as required by

Good Utility Practice such as an open circuit “step voltage” test on the Electric Generating Unit to verify proper operation of the Electric Generating Unit's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Electric Generating Unit at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in Electric Generating Unit terminal voltage initiated by a change in the voltage regulators reference voltage. The Interconnection Customer shall provide validated test recordings showing the responses of Electric Generating Unit terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Electric Generating Unit's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Electric Generating Unit terminal or field voltages is provided. Electric Generating Unit testing shall be conducted and results provided to the Participating TO and the ISO for each individual Electric Generating Unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide the Participating TO and the ISO any information changes due to equipment replacement, repair, or adjustment. The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Participating TO-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information pursuant to Article 5.19.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

- 25.1 Information Access.** Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the ISO to make available to a Party any third party information in its possession or control if making such third party information available would violate an ISO Tariff restriction on the use or disclosure of such third party information.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force

Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, the Parties' audit rights shall include audits of a Party's costs pertaining to such Party's performance or satisfaction of obligations owed to the other Party under this LGIA, calculation of invoiced amounts, the ISO's efforts to allocate responsibility for the provision of reactive support to the ISO Controlled Grid, the ISO's efforts to allocate responsibility for interruption or reduction of generation on the ISO Controlled Grid, and each such Party's actions in an Emergency Condition.

25.3.1 The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either such Party's performance or either such Party's satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party's performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.3.2 Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following the Participating TO's issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO's Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the ISO for a period of twenty-four months following

the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff.

25.5 Audit Results. If an audit by the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination. The Party that is owed payment shall render an invoice to the other Party and such invoice shall be paid pursuant to Article 12 hereof.

25.5.1 Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the ISO's accounts and records shall be as set forth in Article 12 of the ISO Tariff, and the ISO's process for remedying an overpayment or underpayment shall be as set forth in the ISO Tariff.

ARTICLE 26. SUBCONTRACTORS

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

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party 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 ISO or Participating TO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this

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

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

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

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations; provided, however, in the event of a conflict

between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

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

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 28.1 General.** Each Party makes the following representations, warranties and covenants:
- 28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.
- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable

bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

- 28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [RESERVED]

ARTICLE 30. MISCELLANEOUS

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix

means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

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

30.5 No Third Party Beneficiaries. This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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

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

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

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

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

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

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.4, 4.5, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the ISO below.

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

2.5, 5.1, 5.2, 5.3, 5.5, 5.6, 5.10, 5.11, 5.14, 5.15, 5.16, 5.17, 5.19 (excluding 5.19.1), 6, 7.3, 9.4, 9.9, 10.1, 10.2, 10.4, 10.5, 11.1, 11.2, 11.3, 11.5, 12.2, 12.3, 12.4, 24.1, 24.2, 25.3.1, 25.4.1, 25.5 (excluding 25.5.1), 27 (excluding preamble), Appendix A, Appendix B, Appendix C, and Appendix E.

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

3.2, 4.3, 4.6, 11.6, 25.3.2, 25.5.1, and 27 preamble.

The Interconnection Customer, the ISO, and the Participating TO shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

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

30.13 Joint and Several Obligations. Except as otherwise provided in this LGIA, the obligations of the ISO, the Participating TO, and the Interconnection Customer are several, and are neither joint nor joint and several.

IN WITNESS WHEREOF, the Parties have executed this LGIA in multiple originals, each of which shall constitute and be an original effective agreement among the Parties.

[Insert name of Participating TO]

By: _____

Title: _____

Date:

California Independent System Operator Corporation

By: _____

Title: _____

Date:

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date:

Appendices to LGIA

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Reliability Management System Agreement

Appendix H Requirements of Generators Relying on New Technologies

**Appendix A
To LGIA**

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert Participating TO's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

(i) [insert Participating TO's Reliability Network Upgrades]

(ii) [insert Participating TO's Delivery Network Upgrades]

3. Distribution Upgrades:

**Appendix B
To LGIA**

Milestones

**Appendix C
To LGIA**

Interconnection Details

Appendix D To LGIA

Security Arrangements Details

Infrastructure security of ISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day ISO Controlled Grid reliability and operational security. FERC will expect the ISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the ISO Controlled Grid 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 will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

The Interconnection Customer shall meet the requirements for security implemented pursuant to the ISO Tariff, including the ISO's standards for information security posted on the ISO's internet web site at the following internet address: <http://www.caiso.com/pubinfo/info-security/index.html>.

**Appendix E
To LGIA**

Commercial Operation Date

This Appendix E is a part of the LGIA.

[Date]

[ISO Address]

[Participating TO Address]

Re: _____ Electric Generating Unit

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

**Appendix F
To LGIA**

Addresses for Delivery of Notices and Billings

Notices:

ISO:

[To be supplied.]

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

ISO:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):

ISO:

[To be supplied.]

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

**Appendix G
To LGIA**

Reliability Management System Agreement

**Appendix H
To LGIA**

Requirements of Generators Relying on Newer Technologies

ATTACHMENT D

Justifications for Alternative Articles 3.3. and 11.4

Set forth in this Attachment D are the justifications for the alternative provisions of LGIA Article 3.3 and a preamble to be added to LGIA Article 11.4, as proposed by the Filing Parties.

LGIA Article 3.3

ISO's Recommended Provision [Supported by PG&E and SDG&E]:

3.3 Relationship Between this LGIA and the ISO Tariff. With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the ISO Tariff and dictates rights and obligations between the ISO and the Participating TO or the ISO and the Interconnection Customer, the ISO Tariff shall govern.

ISO's Explanation:

The Filing Parties explained in Section IV.C of their transmittal letter why they have proposed the LGIA as a *pro forma* agreement that stands on its own outside of the ISO Tariff. This structure by its nature raises the issue of the relationship between the ISO Tariff and the LGIA. That relationship was a central focus of the Filing Parties' efforts to assure that the allocation of rights and obligations in the LGIA, including the rights of the Filing Parties under Section 205 of the Federal Power Act, is appropriate and that inconsistencies are minimized if not eliminated altogether. The delicate balance that was achieved from those efforts is evident in Article 30.11 of the Filing Parties' proposed LGIA and the agreement expressed in the transmittal letter for the filing of the LGIA that each of the Filing Parties must agree to any proposed change in the *pro forma* LGIA. The ISO believes that its proposed language for LGIA Article 3.3, rather than upsetting this balance or creating potential uncertainties, actually assures the ISO and the Commission that this important balance is reflected in the LGIA and remains into the future.

It is pure speculation at this point to discuss whether some future change to the ISO Tariff filed by the ISO and approved by the Commission might somehow affect a right or obligation between the ISO and the Interconnection Customer or the Participating TO under the LGIA.¹ However, in the unlikely

¹ It is not possible under the ISO's proposed language, even theoretically, for the ISO to affect the rights and obligations between the Interconnection Customer and the Participating TO through an amendment to the ISO Tariff.

event that the ISO were to propose an ISO Tariff amendment that might be inconsistent with some provision of the LGIA involving the ISO's rights and obligations, it is the ISO's expectation that the Commission would prefer to have that amendment apply consistently to all Electric Generating Units subject to the ISO Tariff – rather than to approve in advance a special exception to that consistent application by excluding only Electric Generating Units subject to an LGIA from its application.

Moreover, the bulk of the provisions of the LGIA that establish rights and obligations of the ISO in relation to the other parties are in the operations-related provisions of the LGIA. It is perhaps most apparent with regard to those provisions that the Large Generating Facilities that will be subject to the terms of the LGIA should be treated consistently with all other Electric Generating Units subject to the provisions of the ISO Tariff. The risk that some provision of the LGIA might be interpreted to provide an Interconnection Customer some special treatment or to require the ISO to establish some special operating procedure that would require ISO system operators to apply a different standard to Large Generating Facilities subject to an LGIA than applies to all other Electric Generating Units in the ISO Control Area is a risk that the ISO considers to be one that should be avoided by the provisions of the ISO's proposed LGIA Article 3.3. The ISO's view is that its proposed Article 3.3 should be adopted in order to eliminate the risk that individual items may be altered in the executed versions of the LGIA, or have interpretations of the *pro forma* LGIA arise over time, that are inconsistent with the ISO Tariff with regard to the rights and obligations between the ISO and another party. This is the only acceptable position to the ISO, and the ISO has made significant accommodations in the other provisions of the LGIA and the transmittal letter in an effort to reach consensus on an issue central to the balance struck by the Filing Parties, which the ISO would like to preserve.

The language the ISO has proposed for the new LGIA Article 3.3 is limited to having the ISO Tariff resolve any conflicts in favor of the ISO Tariff only where the rights and obligations between the ISO and either the Interconnection Customer or the Participating TO are concerned. The ISO has included similar provisions in other stand alone *pro forma* agreements to ensure that items altered in an individually negotiated change to an executed version of the LGIA or unanticipated interpretations of language could not create different terms and conditions of service from those offered under the ISO Tariff for a particular party.² If a PTO or an Interconnection Customer becomes concerned with a proposed change to the ISO Tariff as possibly impacting the LGIA, there is nothing in the LGIP or LGIA that limit the ability to comment or protest the merits of such a proposed ISO Tariff change at the Commission. The ISO's proposed language is the only way to assure consistent treatment under the ISO Tariff.

² See, e.g., Section 1.2(a) of the ISO's pro forma Participating Generator Agreement. Similar language is also contained in PG&E's and SDG&E's current *pro forma* interconnection agreements.

SCE's Recommended Provision:

3.3 Relationship Between this LGIA and the ISO Tariff. If and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent that this LGIA specifically provides that a matter shall be determined in accordance with the ISO Tariff, the applicable provisions of the ISO Tariff shall govern. If and to the extent a provision of this LGIA for which the ISO has exclusive Federal Power Act Section 205 rights pursuant to Article 30.11 hereof is inconsistent with the ISO Tariff, the ISO Tariff shall govern.

SCE's Explanation:

SCE's approach provides that the ISO Tariff governs those provisions of the LGIA that expressly point to the ISO Tariff as providing the governing standard and those provisions over which the ISO has exclusive Federal Power Act Section 205 rights. Any provisions expressly covered by the LGIA that do not fall into those two categories would be governed by the LGIA. This approach strikes a just and reasonable balance between the interest of the ISO in retaining the right to alter through the ISO Tariff those provisions of the LGIA over which it has unilateral 205 rights, and a justifiable concern by Interconnection Customers and the PTOs that they must be able to rely on the terms of their executed agreements, without having those terms altered in key respects via unilateral amendments to another tariff.³

The ISO's proposed language has several problems, both conceptually and in terms of practical implementation. Most troubling is that the ISO's proposed language potentially could render several provisions of the *pro forma* LGIA ineffective or subject to challenge against potentially, but undiscovered, inconsistent (or *perceived* inconsistent) provisions of the ISO Tariff. In the context of negotiations that attempted to ensure that the LGIA remains a stand-alone agreement, this result is not just or reasonable and could lead to numerous disputes that cannot be foreseen.

Moreover, the ISO's proposed language would allow the ISO effectively to amend the LGIA by filing an amendment to the ISO Tariff, without having to notice all of the potentially affected parties. Although the PTOs and Interconnection Customers would have the right to protest such amendments, the ISO's proposal puts a considerable and unnecessary burden on both Interconnection Customers and PTOs to track each and every proposed change to the ISO Tariff to ensure that such amendment would not alter (or potentially

³ There is precedent for this approach in certain ISO agreements. For example, Section 14.10 of the ISO's Pro Forma Must -Run Service Agreement provides, in relevant part, that, "In the event of a conflict between the terms and conditions of this Agreement and any terms and conditions set forth in the ISO Tariff the terms and conditions of this Agreement shall prevail."

alter in ways that the party cannot even foresee) the meaning of their underlying contract.

Finally, the ISO's proposal also would render Article 30.11 of the LGIA, which was thoroughly discussed and considered, practically meaningless. As explained *supra.*, Article 30.11 carefully delineates which of the Filing Parties retain 205 rights for each and every provision of the ISO Tariff. These determinations were made based on the parties' respective rights and obligations under the LGIA, and all of the Filing Parties felt that it was important to clearly and fully define those respective rights and obligations because of the three party nature of the LGIA.

If adopted, the ISO's proposed language would create confusion and uncertainty for all parties involved. SCE's proposed language, on the other hand, creates clear boundaries that allow the parties some certainty, while still allowing the ISO Tariff to trump with respect to (1) all provisions of the LGIA that specifically point to the ISO Tariff as providing the relevant standards, information, or requirements; and (2) any provisions over which the Filing Parties determined that the ISO would have exclusive 205 rights in any case. If the ISO desires to make a change to the LGIA or determines that an inconsistency exists, it can always make a 205 filing to change the *pro forma* LGIA. That filing should be made directly in the LGIA dockets, however, and not through an amendment to the ISO Tariff.

LGIA Article 11.4 (Preamble)

ISO's Recommended Provision [Supported by PG&E and SDG&E]:

11.4 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 ISO and the Participating TO to receive Firm Transmission Rights as defined in and as available under the ISO Tariff at the time of the election in accordance with the ISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 11.4.1.

ISO's Explanation:

By offering this provision, the ISO is implementing the proposed crediting policy that is more fully described in its LGIP compliance filing, made on the same date as this filing. As stated in that transmittal letter: "With respect to Network Upgrades (i.e., those transmission upgrades beyond the Point of Interconnection to the grid, be they Reliability Network Upgrades or Delivery Network Upgrades, as defined in the ISO's proposal), the ISO proposes that Interconnection Customers initially fund these Network Upgrades, and then elect to receive either (1) refunds over a five-year period (i.e., reimbursement for the costs of the upgrades plus interest); or (2) Firm Transmission Rights ("FTRs")...".

The election of FTRs, as defined in and available under the ISO Tariff at the time of the election, would serve as compensation for the cost of the Network Upgrades.

Further, the ISO as well as others have repeatedly raised concerns that the Commission's crediting policy could result in uneconomic expansion of the grid. The ISO believes that, on a long-term basis, the provision of financial rights as compensation for Interconnection Customers that fund Network Upgrades provides a much better price signal to those Interconnection Customers as to where to locate their Generating Facilities on the system and the potential impact on the system and ratepayers from their interconnection. At this time, the ISO's proposed economic test may identify Network Upgrades that are uneconomic and for which the Interconnection Customer would not be eligible for refunds. The provision of FTRs simply enables the ISO to offer an elective but measurable benefit for those that chose to expand the transmission system. The ISO believes that it is desirable to offer such an election as an additional means of promoting entry for new Generating Facilities. Absent the opportunity to make such an election, the ISO believes that new Generating Facility developers would be faced with either having to pay for Network Upgrades the use and benefit of which they would be unable to capture or choosing not to expand the system.

The ISO, PG&E and SDG&E wish to clarify that, in offering the election of FTRs, the LGIA filed herewith would be limited to FTRs as they are defined under the ISO Tariff. In the event the Commission in the future approves some different form of congestion rights, the Filing Parties contemplate that an amendment to the *pro forma* LGIA would be required to reflect, as appropriate, the availability of such congestion rights. There is no intention, in the instant filing, to offer generators an election, under this form of LGIA, for congestion rights that do not exist today but that may be developed in the future.

If the Interconnection Customer does not elect to fund Delivery Network Upgrades, the PTO could build such facilities. In fact, the ISO proposes to provide specifically that in instances where an Interconnection Customer elects not to fund Delivery Network Upgrades, the ISO may direct the applicable PTO to do so under its existing authority in Section 3 of the ISO Tariff. Such a provision will ensure that "needed" transmission facilities are built and that new generation is not stranded in isolated pockets on the system.

Until the implementation of the redesign of the ISO's markets (referred to as "MRTU"), the ISO is not able to offer FTRs with measurable value within Congestion Zones (i.e. for Network Upgrades that alleviate only Intra-Zonal Congestion). In these circumstances, the ISO agrees with many stakeholders that the crediting policy is the best way, for now, to compensate developers for Network Upgrades. The ISO intends to revisit this policy and propose appropriate revisions to Article 11.4 once MRTU is implemented and viable financial rights (CRRs) are available. Likewise, PG&E, SCE and SDG&E reserve

their respective rights to address any modifications to Article 11.4 at such future time.

SCE's Recommended Provision:

Retain FERC's original language only allowing for transmission refunds, subject to the changes agreed to by the Filing Parties, as set out in the *pro forma* LGIA filed with the Commission.

SCE's Explanation:

SCE does not support the ISO's proposal to give Interconnection Customers the choice between FTRs and credits, and instead urges the Commission to reject the ISO's proposed language in the newly-created preamble of Article 11.4 and to direct the ISO to revise its procedures to provide the Interconnection Customer with credits for Network Upgrades that it funds, subject to the ISO's economic test. While Order 2003 (at ¶ 698) provides an RTO or ISO flexibility regarding its interconnection pricing policy, subject to Commission approval, the Commission clearly intended the alternative proposals to improve upon the crediting policy as well as be equitable for both the Interconnection Customer and the load customers. The ISO proposal does not improve upon the crediting policy and is not equitable for either the Interconnection Customer or load customers. SCE supports the proposed economic test, which will help address concerns that providing credits to the Interconnection Customer may result in so-called uneconomic transmission upgrades. This approach will also allow the ISO to have an interconnection policy that meets the Commission's goals while parties in California address market design issues including CRR allocation, resource adequacy (capacity) requirements, and a revised transmission planning process currently being addressed under a CPUC rulemaking proceeding.

The ISO proposal would result in "cherry-picking;" that is, it unfairly would permit an Interconnection Customer to select FTRs when they are favorable to the Interconnection Customer's financial interests and compel the PTOs to provide credits to the Interconnection Customer when FTRs are not favorable to the Interconnection Customer's financial interests. Providing such an option would result in transmission ratepayers being saddled with the high cost, less valuable transmission network upgrades, while depriving them of the benefits of low cost, valuable upgrades. Order 2003 requires comparable treatment for non-independent Transmission Providers for all Network Upgrades funded by the Interconnection Customer (credits, but not FTRs). PJM provides comparable treatment for all Network Upgrades funded by the Interconnection Customer by providing FTRs, not credits. The ISO's proposal attempts to straddle both policies and in doing so undermines the equity that justifies each policy. The Commission should direct the ISO to provide credits for all Network Upgrades to

avoid cherry picking, and its resulting adverse impact on transmission ratepayers.

While the ISO uses the argument that its pricing proposal is “completely consistent” with PJM to justify its FTR or credit choice proposal, the reality is that neither the ISO’s market design nor its crediting/FTR proposal is consistent with PJM. First, the ISO does not have LMP pricing and instead has a zonal congestion management model. Thus, the ISO’s proposal to permit generators to choose FTRs as hedging instruments or refunds is inconsistent with the Commission’s intent of an alternative pricing proposal that would provide a locational pricing signal to the Interconnection Customer. As stated above, an Interconnection Customer could choose FTRs in some cases but choose credits in others. This is clearly not the consistent locational pricing signal the Commission envisioned under a PJM-type approach.

Second, PJM has well-defined, long-term FTRs while the ISO’s FTRs are neither well-defined nor long-term, particularly in light of the ISO’s MRTU proposal. The ISO’s proposal for an Interconnection Customer to select FTRs in lieu of credits is based on the premise that FTRs will provide sufficient compensation to the Interconnection Customer for funding a Network Upgrade. Given that FTRs are expected to be eliminated by the fall of 2005 (when MRTU is scheduled to be implemented) and given that the allocation of the replacement for FTRs – CRRs - is still being developed as part of the ISO’s MRTU proposal, SCE does not believe FTRs are an appropriate means to compensate an Interconnection Customer for funding a Network Upgrade.

In its October 28, 2003 MRTU Order, the Commission required the ISO to file detailed information on the proposed first year allocation of CRRs when it files its proposed tariff instituting the CRR allocation method that is currently under development. The Commission also required this filing to include, at a minimum, each participant’s expected allocation of CRRs based on the proposed tariff allocation method. Without the details of these filings, it is unclear how an Interconnection Customer’s FTRs would be treated under MRTU. In addition, the ISO’s MRTU proposal allocates CRRs to Load Serving Entities (LSEs) based on the premise that those LSEs pay for the costs of the transmission facilities that allow CRRs to exist. It is unclear how the ISO can ensure that the amount of CRRs that are to be allocated to LSEs under the ISO’s MRTU proposal would not be impacted by allowing the Interconnection Customer to select FTRs in lieu of credits. Until these issues are fully vetted and stakeholders are provided due process on these issues, it is not appropriate for the ISO to institute a policy that permits the Interconnection Customer to receive FTRs associated with funding a Network Upgrade.

Third, while PJM has Capacity Interconnection Rights (CIRs), the ISO does not even propose to offer a capacity interconnection product (i.e., Network Interconnection Service), let alone CIRs. Instead, resource adequacy (capacity)

requirements are being addressed by the California Public Utilities Commission (CPUC).

Finally, the ISO has adopted a “load pays” transmission access charge (TAC) model for PTOs to recover their transmission revenue requirements (TRRs). PJM provides for the Interconnection Customer to pay for a portion of the Transmission Owner’s TRR in exchange for FTRs. The ISO’s TAC methodology does not provide for the payment structure necessary for the Interconnection Customer to obtain FTRs as is done under PJM’s approach.

Given the significant differences in the ISO and PJM structures, and the fact that California’s future is uncertain with respect to the implementation MRTU, it is simply inappropriate for the ISO to blindly adopt the PJM method for handling Network Upgrades.

ATTACHMENT E

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	Docket No. ER04-445-_____
Pacific Gas and Electric Company	Docket No. ER04-435-_____
San Diego Gas and Electric Company	Docket No. ER04-441-_____
Southern California Edison Company	Docket No. ER04-443-_____

NOTICE OF FILING

(_____)

Take notice that on January 5, 2005, California Independent System Operator Corporation (ISO), Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), and Southern California Edison Company (SCE) (collectively the "Filing Parties") pursuant to Section 205 of the Federal Power Act, Section 35.13 of the Commission Regulations, jointly submitted for filing a Standard Large Generator Interconnection Agreement in compliance with Order Nos. 2003 and 2003-A, and the Commission's July 30, 2004 "Order Rejecting Order Nos. 2003 and 2003-A Compliance Filings," 108 FERC ¶ 61,104 (2004). The Standard Large Generator Interconnection Agreement is intended to function as a stand alone *pro forma* agreement and is not intended to be incorporated into the tariffs of any of the Filing Parties. Pursuant to the January 8 Order the Standard Large Generator Interconnection Procedures and Agreements will be effective upon approval by the Commission.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the **eLibrary** (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or

for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date:

ATTACHMENT F

Certificate of Service

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

Dated this 5th day of January in the year 2005 at Folsom in the State of California.



Gene L. Waas
(916) 608-7049