

# SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR  
3000 K STREET, NW, SUITE 300  
WASHINGTON, DC 20007-5116  
TELEPHONE (202) 424-7500  
FACSIMILE (202) 424-7643  
WWW.SWIDLAW.COM

NEW YORK OFFICE  
THE CHRYSLER BUILDING  
405 LEXINGTON AVENUE  
NEW YORK, NY 10174  
TELEPHONE (212) 973-0111  
FACSIMILE (212) 891-9598

THEODORE J. PARADISE  
TELEPHONE: (202) 295-8434  
FACSIMILE: (202) 424-7643  
TJPARADISE@SWIDLAW.COM

February 9, 2004

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:

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC") direction in its order regarding standardization of generator interconnection agreements and procedures, ("Order No. 2003"),<sup>1</sup> and Section 205 of the Federal Power Act, 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") hereby submit fourteen copies of the Standard Large Generator Interconnection Agreement ("LGIA") for Commission approval as a *pro forma* agreement.<sup>2</sup> The

---

<sup>1</sup> Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, Stats. & Regs. ¶ 31,146, 68, Fed. Reg. 49,846 (August 19, 2003) (2003).

<sup>2</sup> Capitalized terms that are not otherwise defined are defined in the LGIA.

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

This joint filing of the *pro forma* LGIA is intended to supplement the earlier compliance filing of the Large Generator Interconnection Procedures ("LGIP"), associated *pro forma* study agreements, and related ISO Tariff amendments made by the ISO on January 20, 2004 and the amendments to the TO Tariffs made by the FERC-jurisdictional Participating TOs ("PTOs") in the above-captioned dockets.

## 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").<sup>3</sup> Feedback on the ANOPR resulted in the Notice of Proposed Rulemaking ("NOPR") issued on April 24, 2002.<sup>4</sup> 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.

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.<sup>5</sup> Several entities filed requests for rehearing or clarification of Order No. 2003. The requests for rehearing were granted for further consideration and a final order on rehearing of Order No. 2003 is currently pending.<sup>6</sup>

---

<sup>3</sup> 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).

<sup>4</sup> 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).

<sup>5</sup> Order No. 2003 at P 910.

<sup>6</sup> "Order Granting Rehearing for Further Consideration" *Standardization of Generator Interconnection Agreements and Procedures*, Docket No. RM02-1 (September 22, 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.<sup>7</sup> In its order, the Commission noted, *inter alia*, that where *pro forma* documents were modified, current agreements and procedures for generator interconnections would continue in effect until the modified *pro forma* LGIA and LGIP were approved by the Commission.<sup>8</sup>

## **B. The Two-Stage Filing**

As explained at greater length in the ISO's transmittal letter for the LGIP and associated documents, submitted on January 20, 2004, the ISO and the other Filing Parties are making their compliance filing with Order No. 2003 in two stages. The ISO's first-stage filing was made on January 20, 2004 in Docket ER04-445-000 and consisted of the LGIP – the interconnection protocols proposed to be added to the ISO Tariff – along with other ISO Tariff amendments and non-Tariff *pro forma* study agreements. At the time of the January 20, 2004 LGIP filing, the ISO committed to the Commission to submit the LGIA within 20 days of the filing of the LGIP. The PTOs also filed compliance filings on January 20, 2004 to amend their TO Tariffs to appropriately reflect the LGIP.

As described in the ISO's LGIP filing, Order No. 2003 specified that, where the transmission provider is an independent entity that exercises operational control over transmission facilities owned by other entities, both the independent entity and the transmission owner should have responsibilities under the LGIP and should be parties to the LGIA. The Filing Parties support and appreciate the Commission's decision to recognize the needs and circumstances of independent entities, as well as regional differences. 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 entity -- which is the transmission provider -- and the transmission owner who is actually performing the physical service required. That question was left for resolution based on the needs of each independent entity. 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,

---

<sup>7</sup> "Notice Clarifying Compliance Procedures," *Standardization of Generator Interconnection Agreements and Procedures*, Docket No. RM02-1 (January 8, 2004).

<sup>8</sup> *Id.*

the Transmission Control Agreement, and the ISO's business practices has required a significant amount of 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 to their electric systems over the years resulted in intense, but time-consuming, scrutiny of each and every provision of the LGIA. In fact, after several months of almost weekly conference calls to discuss the provisions of the LGIA, the Filing Parties' intense efforts since the LGIP filing have included three days of discussions in Folsom, followed by daily telephone conferences for a full week.

The ISO's efforts to develop a final workable LGIP and LGIA with stakeholders have been concerted and are largely described in the January 20, 2004 LGIP filing, and in the interest of brevity, that description is incorporated into this filing by reference. The extra time to work through issues with the PTOs regarding the LGIA has resulted in today's joint filing by the ISO, PG&E, SDG&E, and SCE, and the Filing Parties have reached consensus on nearly every issue in the LGIA.<sup>9</sup> The Filing Parties appreciate the Commission's flexibility and believe that the extra 20 days invested in arriving at consensus views on the vast majority of LGIA issues will speed implementation of the Commission's goal, standardized LGIA and LGIP language in effect in California, in the long run.

## II. CONTENTS OF FILING

This filing comprises:

This Transmittal Letter

Attachment A Matrix of Changes to FERC *Pro Forma* LGIA With Rationale

Attachment B Blackline of Joint Filing LGIA against FERC *Pro Forma* 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

---

<sup>9</sup> No Filing Party objects to any of the changes proposed to the Commission's *pro forma* LGIA contained in Attachments B and C. As described in Section D, where the Filing Parties could not agree on proposed changes that each viewed as necessary to ensure the justness and reasonableness of the *pro forma* LGIA, the relevant provision was deleted from the document and a placeholder inserted pending resolution of the dispute by this Commission. The Filing Parties' justifications of their alternative proposed provisions are set forth in Attachment D.

### III. COMMUNICATIONS

Correspondence and other communications regarding this filing should be directed to:

Gene L. Waas\*  
Regulatory Counsel  
California Independent System Operator  
Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
Tel: (916) 351-2207  
Fax: (916) 351-2350  
gwaas@caiso.com

Deborah A. Le Vine\*  
Director of Contracts and Special Projects  
California Independent System Operator  
Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
Tel: (916) 351-2144  
dlevine@caiso.com

Joshua Bar-Lev  
Frank R. Lindh  
Alice L. Reid\*  
Attorneys for Pacific Gas and Electric  
Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Tel: (415) 973-2966  
alr4@pge.com

Linda P. Brown\*  
San Diego Gas & Electric Company  
8315 Century Park Court, CP 22D  
San Diego, CA 92123-1550  
Telephone: 858-654-6477  
Facsimile: 858-654-1788  
E-mail: Lbrown@Semprautilities.com

Kenneth G. Jaffe  
Michael N. Kunselman\*  
Theodore J. Paradise  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW – Suite 300  
Washington, DC 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7643  
kgjaffe@swidlaw.com  
mnkunselman@swidlaw.com  
tjparadise@swidlaw.com

Counsel for the California Independent  
System Operator Corporation

Robert J. Doran  
Manager of FERC Rates and Regulation  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13L  
Post Office Box 770000  
San Francisco, California 94177

James F. Walsh\*  
Attorney for San Diego Gas & Electric  
Company  
101 Ash Street, HQ 13  
San Diego, CA 92101-3017  
Telephone: 619-699-5022  
Facsimile: 619-699-5027  
E-mail: Jwalsh@sempra.com

Information regarding communications continues on the next page.

Michael D. Mackness  
Ellen A. Berman\*  
Attorneys for Southern California Edison  
Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Telephone: 626-302-3623  
Facsimile: 626-302-1935  
E-Mail: ellen.berman@sce.com

Jennifer Key\*  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, DC 20036  
Telephone: 202-429-6746  
Facsimile: 202-261-7531  
E-Mail: jkey@steptoe.com

\* Individual designated for service. As Mr. Waas and Ms. Le Vine work in different buildings some distance apart, the ISO requests that documents be served on each.

#### **IV. DESCRIPTION OF THE FILING**

##### **A. Structure of the Filing**

As described above, the instant filing is submitted in compliance with Order No. 2003 as the second and final part of a two-stage filing. While the ISO filed the LGIP alone and the other Filing Parties individually filed each of their respective TO Tariffs on January 20, 2004, this LGIA filing is made jointly by the ISO, PG&E, SDG&E, and SCE. This joint filing is comprised of the following: Changes to the language of the Commission's *pro forma* LGIA are shown in the matrix included as Attachment A to the filing and in the blacklined sheets that are included as Attachment B. A clean version of the LGIA is included as Attachment C.

##### **B. Regional Differences and Independent Entity Variations**

While the LGIA is a *pro forma* document, the Commission recognized in Order No. 2003 that some flexibility was important to accommodate the practices in different regions. The Commission noted that the degree of latitude that would be allowed for variations from the FERC *pro forma* would be greater for independent entities which are "less likely to act in an unduly discriminatory manner than is a market participant." Order No. 2003 at P 827. Order No. 2003 did not, however, limit independent entities to meeting either the so-called "regional differences" test or "consistent with or superior to" standard. Instead, the Commission stated that independent entities could submit alterations to the *pro forma* under a more flexible "independent entity variation."<sup>10</sup>

---

<sup>10</sup> 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 non-independent Transmission Providers are required to adopt the Final Rule LGIP and Final

Although the Filing Parties have endeavored to retain the language of the *pro forma* LGIA adopted in Order No. 2003 to the extent possible, certain modifications have been made where necessary to (1) specify the respective roles of the ISO and PTOs, (2) reflect regional differences, or (3) incorporate appropriate and justifiable variations in accordance with the "independent entity variation" standard. Many of the changes also are consistent with or superior to the *pro forma* LGIA adopted in Order No. 2003 and can be justified on this additional ground in any case. The Filing Parties have reflected these alterations in multiple formats. First, all changes are described in the matrix included as Attachment A to the filing. Attachment A also describes the rationale for each change that was made. Second, while Attachment A is intended to be the primary guide for the Commission to the changes made to the *pro forma* LGIA and the rationale supporting those changes, selected issues are also discussed in greater detail below. Third, the changes are shown in the blackline of the LGIA included as Attachment B to the filing. In reading Attachment B, note that where the defined terms have been moved to place them in revised alphabetical order based on changes to the wording of the terms themselves, those changes are shown in Attachment B.

### **C. LGIA as a Pro Forma Agreement**

An important regional difference and independent entity variation from the Commission's *pro forma* LGIA is the desire to preserve the LGIA as a separate agreement from both the ISO Tariff and TO Tariffs. The *pro forma* LGIA is thus 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 Federal Power Act ("FPA") Section 205 rights associated with the agreement. Placing the *pro forma* LGIA into the ISO Tariff or into the TO Tariff would create 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 *pro forma* LGIA in either the ISO or TO Tariffs, and, to avoid potential future conflicts and confusion, the Filing Parties have decided to keep the LGIA as a separate agreement apart from the ISO and TO Tariffs. As a separate FERC-approved

---

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 meet an 'independent entity variation' standard that is more flexible than the 'consistent with or superior to' standard and the regional differences standard."

agreement, the agreement will remain stable as changes to the *pro forma* LGIA must still be approved by the Commission.

When an LGIA is filed for a particular Interconnection Customer, the LGIA will divide the Section 205 rights among the ISO and PTO as appropriate. See LGIA Article 30.11. 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 LGIAs that conform to the Commission-approved standard form. 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 *pro forma* LGIA, the Filing Parties agree that the *pro forma* 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 *pro forma* LGIA is approved by FERC, 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, none of the ISO or the PTOs has unilateral Section 205 rights with regard to the *pro forma* LGIA; only the Filing Parties acting as a unanimous group have Section 205 rights. It was not logical, however, to include in the *pro forma* LGIA, the ISO Tariff, or the TO Tariff, this agreement among the parties concerning the waiver of unilateral Section 205 rights for the *pro forma* LGIA. Thus the Filing Parties simply ask FERC either to confirm in ruling upon this filing this agreement among the Filing Parties or to guide the Filing Parties regarding the appropriate means to document their agreement with regard to their waiver of unilateral 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



*pro forma* LGIA to establish roles that best reflect the unique characteristics of the various systems that comprise the ISO Controlled Grid. 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. Other defined terms have been modified to conform more closely to the proposed LGIP and other ISO Tariff defined terms. 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.

### **i. Discussion of Selected Definitions**

#### **Interconnection Facilities**

As also discussed in the LGIP filing made on January 20, 2004 in the above-captioned docket, 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 regional difference and independent entity variation is the need for additional language regarding reliability in the LGIA. For one thing, the Filing Parties are required by the Western Electricity Coordinating Council ("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. 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 individual Interconnection Handbooks applicable to the different systems of each of the PTOs. Also, the Filing Parties are concerned that the Commission's *pro forma* LGIA does not clearly specify all of the rights and obligations of the Interconnection Customer and the PTO in the case where the Commission would require that a PTO undertake the maintenance on facilities that the Commission

would permit to be owned by the Interconnection Customer. The LGIA thus contains a provision (added to LGIA Article 5.2(9)) that requires Interconnection Customers to sign a maintenance agreement with the PTO for those facilities. The requirement does not place undue burden on an Interconnection Customer, but will simply help ensure that Interconnection Customers properly maintain facilities and thus do their part to ensure the safe and uninterrupted operation of the rest of the transmission system.

### **G. Insurance**

The LGIA filed herewith incorporates, with some modifications, the insurance requirements included in the *pro forma* LGIA. However, PG&E currently does not meet the creditworthiness requirements for self-insurance. PG&E anticipates that it will achieve creditworthy status in the near future, possibly before the effective date of a Commission order approving the instant filing. Alternatively, should PG&E find it necessary to execute an agreement, based on the filed LGIA, with a particular Interconnection Customer prior to the time that PG&E has achieved creditworthy status, then PG&E would require a waiver of the creditworthiness requirement in Article 18.3.10 the LGIA filed herewith, in order to be self-insured.

### **H. Exceptions to the Consensus Documents**

As noted *supra*, despite very intense efforts since the LGIP filing, the Filing Parties have not been able to reach consensus on all of the terms and conditions of the *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 Section 205. Because Interconnection Service is provided with the assets of both the ISO and PTOs, both have the right to exercise 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

The Commission stated in its January 8 Order that where the *pro forma* LGIP and/or LGIA were modified, interconnection agreements currently in use would remain in effect until the modified interconnection documents were approved by the Commission. The Filing Parties have relied on this statement in seeking Commission approval to delay the filing of the modified version of the LGIA for twenty days, recognizing that its delayed filing will not have any immediate adverse affect on new interconnections. The Filing Parties intend that the agreements currently used in California will remain in effect until the modified *pro forma* LGIP and LGIA are approved by the Commission. The Filing Parties urge the Commission to set the effective date of the modified versions of the LGIP and LGIA prospectively, as substantial disruption to interconnection efforts that would then be underway could result if the Commission were to establish a retroactive effective date. This same issue arose in the Commission's acceptance of ISO Tariff Amendment No. 39 implementing the ISO's current interconnection provisions, and the Commission ultimately found it necessary to reverse its original order giving Amendment No. 39 retroactive effect.<sup>11</sup>

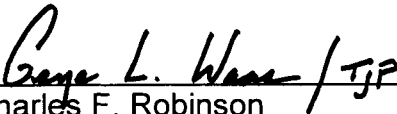
---

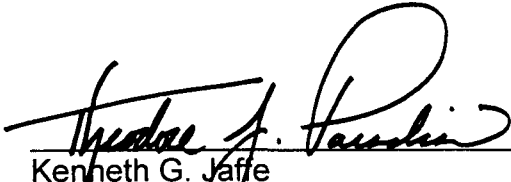
<sup>11</sup> *San Diego Gas & Electric Co. v. Sellers of Energy and Ancillary Services*, 100 FERC ¶ 61,235 (2002).

**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.

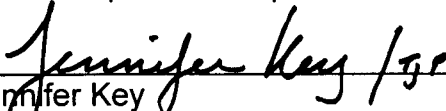
Respectfully submitted,

  
\_\_\_\_\_  
Charles F. Robinson  
General Counsel  
Gene L. Waas  
Regulatory Counsel  
The California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

  
\_\_\_\_\_  
Kenneth G. Jaffe  
Michael N. Kunselman  
Theodore J. Paradise  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW – Suite 300  
Washington, DC 20007  
Tel: (202) 424-7500  
Fax: (202) 424-7643

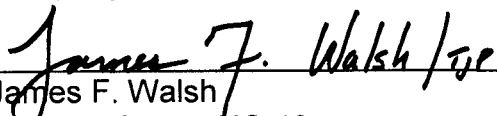
Counsel for the California Independent  
System Operator Corporation

  
\_\_\_\_\_  
Michael D. Mackness  
Ellen A. Berman  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Tel: (626) 302-3623  
Fax: (626) 302-1935

  
\_\_\_\_\_  
Jennifer Key  
Stephoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, DC 20036  
Tel: (202) 429-6746  
Fax: (202) 261-7531

Counsel for Southern California Edison  
Company

Counsel for Southern California Edison  
Company

  
\_\_\_\_\_  
James F. Walsh  
104 Ash Street, HQ 13  
San Diego, CA 92101-3017  
Tel: (619)699-5022  
Fax: (619)699-5027

  
\_\_\_\_\_  
Joshua Bar-Lev  
Frank R. Lindh  
Alice L. Reid  
77 Beale Street, B30A  
San Francisco, CA 94105  
Tel: (415) 973-2966

Counsel for San Diego Gas & Electric  
Company

Counsel for Pacific Gas and Electric  
Company

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>("Agreement LGIA")</del> <del>between among</del></p>	<p><b>Introduction Paragraph</b></p>	<p>Allows the term "LGIA" to be used throughout to refer to the Large Generator Interconnection Agreement.</p>
<p><del>_____ , a corporation organized and existing under the laws of the State California ("Participating TO"), and California Independent System Operator Corporation, a California nonprofit public benefit corporation organized and existing under the laws of the State/Commonwealth of California ("ISO Transmission Provider and/or Transmission Owner"). Interconnection Customer, Participating TO, and Transmission Provider ISO each may be referred to as a "Party" or collectively as the "Parties."</del></p>	<p><b>Introduction Paragraph</b></p>	<p>Language specific to the California ISO was added to fit as an agreement for California.</p>
<p><del><b>WHEREAS</b>, Transmission Provider ISO exercises Operational Control over the Transmission System ISO Controlled Grid; and</del></p>	<p><b>Recital #1</b></p>	<p>Clarifies that the ISO is a transmission provider and controls the ISO Controlled Grid</p>
<p><del><b>WHEREAS</b>, the Participating TO owns, operates, and maintains the Participating TO's Transmission System; and</del></p>	<p><b>Recital #2</b></p>	<p>A separate recital is necessary to describe the Participating TO as a Transmission Provider.</p>
<p><del>Agreement LGIA; and;</del></p>	<p><b>Recital #3</b></p>	<p>Allows the term "LGIA" to be used throughout to refer to the Large Generator Interconnection Agreement.</p>
<p><del><b>WHEREAS</b>, Interconnection Customer, Participating TO, and Transmission Provider ISO</del></p>	<p><b>Recital #4</b></p>	<p>Describes the Parties to the LGIA precisely, so that the agreement works as a three-party agreement.</p>
<p><del>Agreement LGIA</del></p>	<p><b>Recital #4</b></p>	<p>Allows the term "LGIA" to be used throughout to refer to the Large Generator Interconnection Agreement.</p>
<p><del>Participating TO's Transmission System;</del></p>	<p><b>Recital #4</b></p>	<p>Clarifies that, for the purposes of this agreement, the Transmission System to which the generator is being interconnected is specifically the Participating TO's Transmission System.</p>
<p><del>Standard Large Generator Interconnection Agreement LGIA</del></p>	<p><b>Recital #5</b></p>	<p>Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.</p>
<p><del><b>Affected System</b> 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</del></p>	<p><b>Affected System</b></p>	<p>Clarifies that the interconnection agreement generally relates to the ISO Controlled Grid as a whole, and that Affected Systems are therefore systems other than those that make up the ISO Controlled Grid. Makes clear that a Participating TO's</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>Grid.</u>		distribution system can be an Affected System for purposes of interconnection.
<b>Definition deleted.</b>	<b>Affected System Operator</b>	The term is not used in the LGIA.
<b>Definition deleted.</b>	<b>Ancillary Services</b>	The term is not used in the LGIA.
<b>Applicable Reliability Council</b> shall mean the <u>Western Electricity Coordinating Council or its successor reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.</u>	<b>Applicable Reliability Council</b>	Specifies that for California the Applicable Reliability Council is the WECC.
<u>Participating TO's Transmission System</u>	<b>Applicable Reliability Standards</b>	Clarifies that, for the purposes of this agreement, the Transmission System to which the generator is being interconnected is specifically the Participating TO's Transmission System.
<b>Base Case</b> 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.	<b>Base Case</b>	Allows for Base Case data used by the party which performs the relevant Interconnection Study.
the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	<b>Breach</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	<b>Breaching Party</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<b>Business Day</b> shall mean Monday through Friday, excluding <del>F</del> ederal <del>H</del> olidays <u>and the day after Thanksgiving Day.</u>	<b>Business Day</b>	There is no defined term for federal holiday.  For the ISO and some other parties in California, the day after Thanksgiving day is a holiday.
<b>Calendar Day</b> shall mean any day including Saturday, Sunday or a <del>F</del> ederal <del>H</del> oliday.	<b>Calendar Day</b>	There is no defined term for federal holiday
<b>Definition deleted.</b>	<b>Clustering</b>	The term is not used in the LGIA.
<u>an Electric Generating uUnit</u>	<b>Commercial Operation Date</b>	Uses the defined term Electric Generating Unit for consistency and clarity.
<u>an Electric Generating uUnit</u>	<b>Commercial Operation Date</b>	Uses the defined term Electric Generating Unit for consistency and clarity.
the Standard Large Generator Interconnection Agreement <u>this LGIA.</u>	<b>Commercial Operation Date</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
, subject to Article 22.1.2.	<b>Confidential Information</b>	The term is clarified further in Article 22.1.2
the Standard Large Generator	<b>Default</b>	Clarifies that this term as defined will



## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Interconnection Agreement this LGIA.</del>		apply to each separately signed agreement instead of the form of agreement.
<b>Definition deleted.</b>	<b>Dispute Resolution</b>	The term is not used in the LGIA.
<del><b>Distribution System</b> shall mean <u>those non-ISO controlled transmission and distribution facilities owned by the Participating TO</u> 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.</del>	<b>Distribution System</b>	The definition was changed to describe the Distribution System in relation to the ISO so as to fit better with California.
<del><b>Distribution Upgrades</b> shall mean the additions, modifications, and upgrades to the Transmission Provider's Participating TO'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. Distribution Upgrades do not include Interconnection Facilities.</del>	<b>Distribution Upgrades</b>	The study process determines which upgrades are necessary. Therefore, the definition need not spell out the reason for Distribution Upgrades.
<del>the Standard Large Generator Interconnection Agreement this LGIA.</del>	<b>Effective Date</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<del>the Commission FERC, or if filed unexecuted, upon the date specified by FERC the Commission.</del>	<b>Effective Date</b>	Clarifies that the Commission being referred to is the FERC since in California certain entities also are under the jurisdiction of its state commission.
<del><b>Electric Generating Unit</b> shall mean <u>an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered.</u></del>	<b>Electric Generating Unit</b>	This definition was added in order to account for the multiple units that together on one site make up the Generating Facilities.
<del>judgement</del>	<b>Emergency Condition</b>	Typographical
<del>(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 the ISO Controlled Grid,</del>	<b>Emergency Condition</b>	Describes specifically the portions of the total electric systems in California that, if affected, would be considered an emergency condition.

## LGIA Matrix of Changes

Change	Article	Reason for Change
Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System ISO Controlled Grid is directly connected;		
(3) that, in the case of Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, the Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO is directly connected; or (34) that in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause adverse effect on the security of, or damage to,	<b>Emergency Condition</b>	Describes specifically the portions of the total electric systems in California that, if affected, would be considered an emergency condition.
the Standard Large Generator Interconnection Agreement <del>this LGIA</del>	<b>Emergency Condition</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<b>Definition deleted.</b>	<b>Energy Resource Interconnection Service (ER Interconnection Service)</b>	This term was deleted as it is no longer used in the agreement because California is offering generic type of interconnection service.
<b>Definition deleted.</b>	<b>Engineering &amp; Procurement (E&amp;P) Agreement</b>	The term is not used in the LGIA.
<b>FERC</b> shall mean the Federal Energy Regulatory Commission ( <del>Commission</del> ) or its successor.	<b>FERC</b>	The abbreviation "FERC" is now used throughout the LGIA instead of "Commission" to maintain internal consistency.
caused	<b>Force Majeure</b>	Typographical
device <u>Electric Generating Unit(s) used</u>	<b>Generating Facility</b>	The term Electric Generating Unit is more precise than "device".
<u>Interconnection Customer's</u> Interconnection Request,	<b>Generating Facility</b>	Specifies the Interconnection Request which the definition properly refers to.
<b>Definition deleted.</b>	<b>Generating Facility Capacity</b>	The term is not used in the LGIA.
<b>Good Utility Practice</b> 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	<b>Good Utility Practice</b>	Conforms the definition of Good Utility Practice to the definition used in the ISO Tariff, which was accepted at FERC and for which there is no real substantive change.

## LGIA Matrix of Changes

Change	Article	Reason for Change
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 <u>limited to any one of a number of</u> 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.		
<del>Transmission Provider ISO, Participating TO, or any Affiliate thereof.</del>	<b>Governmental Authority</b>	The ISO and Participating TO are not governmental authorities, and in this case should appropriately replace Transmission Provider.
the <u>an Electric Generating Facility Unit</u>	<b>Initial Synchronization Date</b>	The term Electric Generating Unit is more accurate in this case than Generating Facility, because this definition applies to the date that each particular unit is initially synchronized and not only when the entire facility is synchronized.
<del>Transmission Provider's Participating TO's Interconnection Facilities</del>	<b>In-Service Date</b>	Specifies who the Transmission Provider is in this context.
<b>Definition deleted</b>	<b>Interconnection Customer</b>	Term is defined in the recitals to refer to the party that is the signatory of this specific LGIA.
<del>the Standard Large Interconnection Agreement this LGIA,</del>	<b>Interconnection Customer's Interconnection Facilities</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<del>Transmission Provider's Participating TO's Transmission System.</del>	<b>Interconnection Customer's Interconnection Facilities</b>	Clarifies that the generator is interconnecting to the Participating TO's Transmission System.
<del>Transmission Provider's Participating TO's</del>	<b>Interconnection Facilities</b>	Specifies that the Participating TO not the ISO owns Interconnection Facilities.
<del>Transmission Provider's Participating TO's Transmission System</del>	<b>Interconnection Facilities</b>	Clarifies that the generator is interconnecting to the Participating TO's Transmission System.
at the study	<b>Interconnection Facilities Study</b>	Clarifies that there is one Interconnection Facilities Study with respect to this LGIA, even though there could be other relevant Interconnection Facilities Studies performed by other Affected Systems and/or transmission owners on the ISO Grid pursuant to a separate agreement.
<del>Transmission Provider Participating TO, the ISO, or a third party</del>	<b>Interconnection Facilities Study</b>	Clarifies that although the Participating TO generally performs studies, the ISO or a third party may conduct the Interconnection Facilities Study under certain circumstances.
(including <del>Transmission Provider's the</del>	<b>Interconnection</b>	Specifies what types of facilities will be

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Participating TO's Interconnection Facilities, and Network Upgrades, and Distribution Upgrades as identified in the System Impact Study),</del>	<b>Facilities Study</b>	included in the list.
<del>Transmission Provider's Participating TO's Transmission System.</del>	<b>Interconnection Facilities Study</b>	Specifies who the Transmission Provider is in this context.
<del>The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.</del>	<b>Interconnection Facilities Study</b>	This language is not correct in California because the study agreements are not attached to the LGIP; rather, they are stand alone agreements. Moreover, those study agreements will speak for themselves, and thus this language is not necessary and may add confusion if the study agreements are ever modified
<del><b>Interconnection Facilities Study Agreement</b> shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures</del>	<b>Interconnection Facilities Study Agreement</b>	By the time this agreement is negotiated, an Interconnection Facilities Study should have been signed and the study completed.
<del>between the Interconnection Customer and the Participating TO or the ISO</del>	<b>Interconnection Facilities Study Agreement</b>	Specifies the Parties to the Interconnection Facilities Study Agreement.
<del>at</del> the preliminary evaluation	<b>Interconnection Feasibility Study</b>	Clarifies that the Interconnection Feasibility Study is a specific study in the interconnection process.
<del>conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer</del>	<b>Interconnection Feasibility Study</b>	Clarifies that although the Participating TO generally performs studies, the ISO or a third party may conduct the Interconnection Feasibility Study under certain circumstances.
<del>Transmission Provider's Participating TO's Transmission System</del>	<b>Interconnection Feasibility Study</b>	Specifies who the Transmission Provider is in this context.
<del>,and, if reasonably practicable, an informational assessment, as needed, of the other affected owner's portions of the ISO Controlled Grid.</del>	<b>Interconnection Feasibility Study</b>	Clarifies the scope of the study.
<del>,the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.</del>	<b>Interconnection Feasibility Study</b>	This language is not correct in California because the study agreements are not attached to the LGIP; rather, they are stand alone agreements. Moreover, those study agreements will speak for themselves, and thus this language is not necessary and may add confusion if the study agreements are ever modified.
<b>Definition Deleted</b>	<b>Interconnection Feasibility Study Agreement</b>	The term is not used in the LGIA.
<del><b>Interconnection Handbook</b> 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</del>	<b>Interconnection Handbook</b>	In California the local reliability criteria for interconnection includes, for each Participating TO's transmission system, an Interconnection Handbook.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>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></p>		
<p><del>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.</del></p>	<p><b>Interconnection Request</b></p>	<p>Interconnection Request can apply to any potential customer as it is referred to in the body of the agreement, whereas Interconnection Customer in this agreement refers specifically to one of the parties to this agreement.</p>
<p><del>Interconnection Service shall mean the service provided by the Transmission Provider Participating TO and ISO</del></p>	<p><b>Interconnection Service</b></p>	<p>Specifies who the Transmission Provider is in this context.</p>
<p><del>Transmission Provider's Participating TO's Transmission System</del></p>	<p><b>Interconnection Service</b></p>	<p>Clarifies that the generator is interconnecting to the Participating TO's Transmission System.</p>
<p><del># the ISO Controlled Grid</del></p>	<p><b>Interconnection Service</b></p>	<p>Clarifies that the delivery of electricity is to the ISO Controlled Grid.</p>
<p><del>pursuant to the terms of the Standard Large Generator Interconnection Agreement this LGIA, the Participating TO's Transmission Owner Tariff, and, if applicable, the Transmission Provider's ISO Tariff.</del></p>	<p><b>Interconnection Service</b></p>	<p>Clarifies the agreement and Tariffs to which the Interconnection Service is pursuant.</p>
<p><del>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.</del></p>	<p><b>Interconnection Study</b></p>	<p>Describes who will perform the study.</p>
<p><del>an the engineering study</del></p>	<p><b>Interconnection System Impact Study</b></p>	<p>Clarifies that there is one Interconnection System Impact Study with respect to this LGIA, even though there could be other relevant Interconnection System Impact</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
		Studies performed by other Affected Systems and/or transmission owners on the ISO Grid pursuant to a separate agreement.
<u>conducted by the Participating TO, ISO, or a third party consultant for the Interconnection Customer</u>	<b>Interconnection System Impact Study</b>	Clarifies that although the Participating TO generally performs studies, the ISO or a third party may conduct the Interconnection System Impact Study under certain circumstances.
<del>Transmission Provider's the Participating TO's Transmission System</del>	<b>Interconnection System Impact Study</b>	Specifies who the Transmission Provider is in this context.
<b>Definition Deleted</b>	<b>Interconnection System Impact Study Agreement</b>	The term is not used in the LGIA.
<u>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.</u>	<b>ISO Controlled Grid</b>	This is a necessary term for describing the Transmission System in California.
<b>Definition Deleted</b>	<b>Joint Operating Committee</b>	The term is not used in the LGIA, since Joint Operating Committees are not applicable to regions with ISOs or RTOs.
<b>Large Generating Facility</b> shall mean a Generating Facility having a <del>Generating Facility Capacity of more than 20 MW.</del>	<b>Large Generating Facility</b>	Until procedures for small generators come into effect, the parties propose that this agreement apply to all generators interconnecting to the transmission system.
<b>Loss</b> shall mean any and all <u>damages, losses, and claims, including claims and actions</u> 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	<b>Loss</b>	Specific language was added as clarification.
<del>, 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.</del>	<b>Loss</b>	This language exists and remains in Article 18.1 Indemnity already; thus it should not also be part of the definition of Loss.
<u>and any other valid interconnection request</u>	<b>Material Modification</b>	This language was added to acknowledge that other types of interconnection requests (i.e. requests for the distribution system) can be affected by modifications.
<b>Metering Equipment</b> shall mean all metering equipment installed or to be installed <del>at</del> <u>for measuring the output of the Generating Facility pursuant to the Standard Large Generator</u>	<b>Metering Equipment</b>	This descriptive language was added to clarify the purpose of the defined term Metering Equipment as it applies to this agreement.
	<b>Metering</b>	Clarifies that this term as defined will

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Interconnection Agreement</del> <u>this LGIA</u>	<b>Equipment</b>	apply to each separately signed agreement instead of the form of agreement.
<b>Definition Deleted</b>	<b>Network Resource</b>	The term is not used in the LGIA because California is offering generic type of interconnection service.
<b>Definition Deleted</b>	<b>Network Resource Interconnection Service (NR Interconnection Service)</b>	The term is not used in the LGIA.
<del>Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the pPoint at which the of Interconnection Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.</del> <u>be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.</u>	<b>Network Upgrades</b>	The definitions for Delivery Network Upgrades and Reliability Network Upgrades already describe sufficiently the purpose of Network Upgrades. The term Network Upgrades as used in the LGIA refer to the sum of those two types of upgrades.
<b>Definition Deleted.</b>	<b>Notice of Dispute</b>	Defined in section 27.1
<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>	<b>Operational Control</b>	This term was added as a defined term because it occurs many times in the agreement and a sufficient definition was needed to specify any rights or obligations of the parties under this LGIA.
<b>Definition Deleted</b>	<b>Optional Interconnection Study</b>	The term is not used in the LGIA.
<b>Definition Deleted</b>	<b>Optional Interconnection Study Agreement</b>	The term is not used in the LGIA.
<u>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.</u>	<b>Participating TO's Delivery Network Upgrades</b>	This term is useful in distinguishing between different types of Network Upgrades.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<b>Participating TO's Reliability Network Upgrades</b> shall mean the <u>additions, modification, 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 ISO Controlled Grid. 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.</u>	<b>Participating TO's Reliability Network Upgrades</b>	This term is useful in distinguishing between different types of Network Upgrades.
<del>Transmission Provider Participating TO, Transmission Owner ISO, Interconnection Customer</del>	<b>Party or Parties</b>	Specifies the parties to this LGIA.
<del>any the applicable combination</del>	<b>Party or Parties</b>	Clarifies that under different circumstances, certain combinations may or may not apply.
<del>the Standard Large Generator Interconnection Agreement this LGIA,</del>	<b>Point of Change of Ownership</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<del>Transmission Provider's Participating TO's Interconnection Facilities.</del>	<b>Point of Change of Ownership</b>	Clarifies that the Participating TO, not the ISO owns and operates Interconnection facilities.
<del>the Standard Large Generator Interconnection Agreement this LGIA,</del>	<b>Point of Interconnection</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<del>Transmission Provider's Participating TO's Transmission System.</del>	<b>Point of Interconnection</b>	Specifies who the Transmission Provider is in this context.
<b>Definition Deleted</b>	<b>Queue Position</b>	The term is not used in the LGIA.
<del>the Standard Large Interconnection Agreement this LGIA,</del>	<b>Reasonable Efforts</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<b>Scoping Meeting</b> shall mean the meeting <u>between among</u>	<b>Scoping Meeting</b>	Specifies that all three parties to the agreement should attend the Scoping



## LGIA Matrix of Changes

Change	Article	Reason for Change
representatives of the Interconnection Customer, <del>and the Participating TO, and the ISO Transmission Provider</del> 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.		Meeting.
<b>Definition Deleted</b>	<b>Site Control</b>	The term is not used in the LGIA.
<b>Definition Deleted</b>	<b>Small Generating Facility</b>	The term is not used in the LGIA.
<del>an</del> the Interconnection Customer	<b>Stand Alone Network Upgrades</b>	Specifies that for the purposes of this agreement, there is one Interconnection Customer, and that the Stand Alone Upgrades should refer to specific facilities.
<del>Transmission System ISO Controlled Grid or Affected Systems</del>	<b>Stand Alone Network Upgrades</b>	Specifies which systems the Stand Alone Upgrades are required not to affect the day-to-day operations.
<del>Both</del> The Transmission Provider Participating TO, the ISO, and the Interconnection Customer	<b>Stand Alone Network Upgrades</b>	Clarifies that all three parties must agree what constitutes a Stand Alone Network Upgrade.
<del>the Standard Large Generator Agreement</del> this LGIA.	<b>Stand Alone Network Upgrades</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<b>Definition Deleted</b>	<b>Standard Large Generator Interconnection Agreement (LGIA)</b>	The term is not used in the LGIA.
ISO protocol that sets forth the interconnection procedures	<b>Standard Large Generator Interconnection Procedures (LGIP)</b>	This was added to specify which interconnection procedures must be followed.
<del>are</del> is	<b>Standard Large Generator Interconnection Procedures (LGIP)</b>	The verb now refers to a singular "protocol" rather than "procedures."
<del>Transmission Provider's</del> ISO Tariff.	<b>Standard Large Generator Interconnection Procedures (LGIP)</b>	Specifies the applicable Tariff in California where the LGIP is incorporated.
<del>, required to that</del> protects (1) the Transmission Provider's Participating TO's Transmission System, Participating TO's Interconnection Facilities, ISO Controlled Grid, and Affected Systems	<b>System Protection Facilities</b>	Specifies which facilities are protected in the case of faults or electric disturbance occurring at the Generating Facility.
<del>Transmission Provider's</del> Transmission	<b>System Protection</b>	Specifies where faults or other electrical

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
<del>System ISO Controlled Grid, Participating TO's Interconnection Facilities, and Affected Systems</del> or on other delivery systems or other generating systems to which the <del>Transmission Provider's Transmission System ISO Controlled Grid</del> is directly connected.	<b>Facilities</b>	system disturbances may occur that affect the Generating Facility.
<del>ISO Tariff shall mean the Transmission Provider's ISO's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Commission FERC, and as amended or supplemented from time to time, or any successor tariff.</del>	<b>ISO Tariff</b>	Changes the defined term Tariff to refer to the ISO Tariff for clarity and specificity.
<del>Transmission Control Agreement shall mean ISO FERC Electric Tariff No. 7.</del>	<b>Transmission Control Agreement</b>	This term was added to describe the agreement by which a transmission owner turns over Operational Control of its transmission system to make it part of the ISO Controlled Grid.
<b>Definition Deleted</b>	<b>Transmission Owner</b>	The term is not used in the LGIA.
<b>Definition deleted.</b>	<b>Transmission Provider</b>	The term is not used in the LGIA because it was replaced by appropriate references to Participating TO and/or the ISO.
<del>Transmission Provider's Participating TO's Interconnection Facilities</del>	<b>Participating TO's Interconnection Facilities</b>	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO</del>	<b>Participating TO's Interconnection Facilities</b>	Specifies who the Transmission Provider is in this context.
<del>the Standard Large Generator Interconnection Agreement this LGIA,</del>	<b>Participating TO's Interconnection Facilities</b>	Clarifies that this term as defined will apply to each separately signed agreement instead of the form of agreement.
<del>Transmission Provider's Participating TO's</del>	<b>Participating TO's Interconnection Facilities</b>	Specifies who the Transmission Provider is in this context.
<del>Participating TO's Transmission System shall mean the</del>	<b>Participating TO's Transmission System</b>	Specifies who the Transmission Provider is in this context.
<del>facilities owned, controlled or 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 Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.</del>	<b>Participating TO's Transmission System</b>	Specifies which parties have which responsibilities on the Participating TO's Transmission System.
<del>Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the an Electric Generating Facility Unit prior to</del>	<b>Trial Operation</b>	Clarifies that this term as defined will apply to each Electric Generating Unit, as opposed to the Generating Facility as a whole.

## LGIA Matrix of Changes

Change	Article	Reason for Change
commercial operation.		
Transmission Provider ISO and Participating TO shall promptly file this LGIA with FERC...	<b>2.1 Effective Date</b>	Specifies who the Transmission Provider is in this context: the ISO and Participating TO will both promptly file this LGIA.
..this LGIA shall remain in effect for a period of <del>ten (10)</del> _____ years from the Effective Date <del>or such other longer period as the Interconnection Customer may request</del> <b><u>(Term to be Specified in Individual Agreements to be ten (10) years or such other longer period as the Interconnection Customer may request</u></b>	<b>2.2 Term of Agreement</b>	Non-substantive change to provide an exact term of 10 years or more, as the Interconnection Customer may request.
Transmission Provider ISO and Participating TO	<b>2.3.1 Written Notice</b>	Specifies who the Transmission Provider is in this context.
Either <u>A</u>	<b>2.3.2 Default</b>	Indicative of a three party agreement.
<u>This LGIA may be deemed terminated in accordance with Article 5.16.</u>	<b>2.3.3 Suspension of Work</b>	For clarity, states reason for termination later set forth in Article 5.16 so that termination events are described in one article.
<del>If a Party elects to this LGIA terminates this Agreement 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 Parties'y's receipt of such the notice of termination subject to the limitations set forth in this Article 2.4 that are the responsibility of the Terminating Party under this LGIA. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.</del>	<b>2.4 Termination Costs</b>	<p>Modifications are proposed to reflect a three party agreement.</p> <p>Specifies the costs that may be incurred that are directly related to the interconnection.</p> <p>Moved last paragraph of pro forma Article 2.4.1 to the end of 2.4. Clarifies that nothing in Article 2.4 is intended to limit the parties' rights under Article 17 pertaining to defaults.</p>

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
<del>Notwithstanding the foregoing, in the event ..</del>	<del><u>2.4.1</u></del>	Reference to previous article is made for emphasis.
<del>either, both Parties</del>	<del><u>2.4.1</u></del>	Indicative of a three party agreement
<del>Upon termination of this LGIA, unless otherwise ordered or approved by FERC:</del>		Two articles are combined into one so this introductory phrase is not needed.
<del>Transmission Provider <u>Participating TO</u></del>	<del><u>2.4.1</u></del>	Clarifies that the Transmission Provider in this context is the Participating TO.
<del>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 the Transmission Provider has incurred expenses and has not been reimbursed by the Interconnection Customer.</del>	<del><u>2.4.1</u></del>	The last paragraph of pro forma Article 2.4.1 was condensed to the end of 2.4.
<del>Transmission Provider <u>Participating TO</u></del>	<del><u>2.4.2</u></del>	Specifies who is the Transmission Provider is in this context.
<del><u>Participating TO's</u> Transmission System</del>	<del><u>2.5</u></del> <del><b>Disconnection</b></del>	Clarifies that the Transmission system in this context is that of the Participating TO's.
<del>Parties y</del>	<del><u>2.6</u></del> <del><b>Survival</b></del>	Indicative of a three party agreement.
	<del><b>Article 3</b></del> <del><b>Regulatory Filings</b></del> <del><b>and ISO Tariff</b></del> <del><b>Compliance</b></del>	Clarifies that the ISO Tariff also governs Interconnection Requests.
<del>Transmission Provider <u>Participating TO</u> and the ISO</del>	<del><u>3.1</u></del> <del><b>Filing</b></del>	Specifies who is the Transmission Provider is in this context.
<del>Authority(ies)</del>	<del><u>3.1</u></del> <del><b>Filing</b></del>	Modifies Authority to plural because there could be more than one governmental authority.
<del>Transmission Provider <u>Participating TO</u> and ISO</del>	<del><u>3.1</u></del> <del><b>Filing</b></del>	Specifies that the Transmission Provider in this context could be the Participating TO or the ISO.
<del>Transmission Provider <u>Participating TO</u> or ISO</del>	<del><u>3.1</u></del> <del><b>Filing</b></del>	Specifies that the Transmission Provider in this context could be the Participating TO or the ISO.
<del>Transmission Provider <u>Participating TO</u></del>	<del><u>3.1</u></del>	Specifies who is the Transmission

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>and ISO</u>	Filing	Provider is in this context.
The Interconnection Customer will <u>comply with all applicable provisions of the ISO Tariff, including the LGIP.</u>	<b>3.2 Agreement Subject to ISO Tariff</b>	Presents a “sign post” for Interconnection Customer that compliance with the ISO Tariff is necessary.
<b>[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]</b>	3.3 <b>Relationship Between this LGIA and the ISO Tariff</b>	Refer to Filing Letter.
	<b>4.1 Interconnection Product Options Service</b>	Modification of title because there is only one type of interconnection service offered in California.
<b>Article deleted</b>	<b>4.1.1 Energy Resource Interconnection Service</b>	Deletion made because there is only one type of interconnection service offered in California.
ERInterconnection Service allows Interconnection Customer to connect the Large Generating Facility to the <u>Participating TO’s Transmission system</u> and be eligible to deliver the Large Generating Facility’s output using the <u>existing firm or non firm available capacity of the ISO Controlled Grid Transmission System on an as available basis.</u> To the extent Interconnection Customer wants to receive ERInterconnection Service, the <u>Transmission ProviderParticipating TO</u> shall construct facilities <u>consistent with the studies identified in AttachmentAppendices A and C that the Participating TO is responsible to construct.</u> ER Interconnection Service does not in and of itself convey any transmission <u>delivery</u> service.	<b>4.1. Interconnection Service Product Options</b>	Modifications made because there is only one type of interconnection service offered in California. Also specifies the correct context of Transmission Provider and Transmission System.
NRInterconnection 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 <u>Transmission Provider’s Transmission SystemISO Controlled Grid,</u> without incurring congestion costs. In the event of transmission constraints on the <u>Transmission Provider’s Transmission System ISO Controlled Grid,</u> the Interconnection Customer’s Large Generating Facility shall be	<b>4.1.1.2 Interconnection Service Energy Resource Interconnection Service</b>	Modifications necessary since there is only one type of interconnection service offered in California.  Modifications also made to clarify which Transmission Provider’s Transmission System is in this context.

## LGIA Matrix of Changes

Change	Article	Reason for Change
subject to the applicable congestion management in the <del>Transmission Provider's Transmission System ISO Tariff</del> in the same manner as all other <del>Network Resources</del> .		
<b>Article deleted</b>	<b>4.1.1.2 Transmission Delivery Service Implications</b>	Deletion made because there is only one type of interconnection service offered in California.
<b>Article deleted</b>	<b>4.1.2 Network Resource Interconnection Service</b>	Deletion made because there is only one type of interconnection service offered in California.
<b>Article deleted</b>	<b>4.1.2.1 The Product</b>	Deletion made because there is only one type of interconnection service offered in California.
<b>Article deleted</b>	<b>4.1.2.2 Transmission Delivery Service Implications</b>	Deletion made because there is only one type of interconnection service offered in California.
<del>Transmission Provider The Participating TO and the ISO</del>	<b>4.2 Provision of Service</b>	Specifies who the Transmission Provider is in this context.
<del>...at the Point of Interconnection</del>	<b>4.2 Provision of Service</b>	This term is deleted because Interconnection Service in this context means a broader association of service than the service provided just at the Point of Interconnection.
<del>Interconnection Customer must comply with the provisions of the ISO Tariff governing imbalance energy demonstrate, to the Transmission Provider's reasonable satisfaction, that is has satisfied the requirements for this Article 4.3 prior to the submission of any schedules for delivery service to such Transmission Provider identifying the Large Generating Facility as the Point of Receipt for such scheduled delivery.</del>	<b>4.3 Generator Balancing Service Arrangements</b>	Imbalance Energy provisions are governed by the ISO Tariff.
<b>Article deleted</b>	<b>4.3.1</b>	Generator Balancing Service Arrangements are governed by the ISO Tariff. (Added in Section 4.3)
<del>Transmission Provider or Transmission Owner ISO or Participating TO</del>	<b>4.4 Performance Standards</b>	Specifies that the Transmission Provider in this context could be the Participating TO or the ISO.
<del>...the Commission</del> <u>FERC</u>	<b>4.4 Performance Standards</b>	Uses the defined term FERC for consistency and clarity.
<del>Transmission Delivery Service</del>	<b>4.5 No Transmission Delivery Service</b>	Transmission Delivery Service is not offered in California.

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
<del>Transmission Provider's ISO</del>	<b>4.5 No Transmission Delivery Service</b>	Clarifies that the Transmission Provider is the ISO in this context.
<del>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.</del>	<b>Article 5. Interconnection Facilities Engineering, Procurement, and Construction</b>	Clarifies that studies should be based on technical information provided by the Interconnection Customer.
<del>to-between among</del>	<b>5.1 Options</b>	Clarifies that agreement must be by all three parties, not just between two.
<del>Transmission Provider Participating TO's</del>	<b>5.1 Options</b>	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO (throughout section)</del>	<b>5.1.1 Standard Option</b>	Specifies who the Transmission Provider is in this context.
<del>the Transmission Provider Participating TO shall promptly provide written notice to the Interconnection Customer and the ISO and shall undertake</del>	<b>5.1.1 Standard Option</b>	Adds an obligation that if the Participating TO cannot meet specified dates under the Standard Option, it will provide notice both to the Interconnection Customer and the ISO.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.1.2 Alternate Option</b>	Specifies who the Transmission Provider is in this context.
<del>the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.</del>	<b>5.1.2 Alternate Option</b>	Deleted as unnecessary since there is no RTO in the ISO Controlled Grid.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.1.3 Option to Build</b>	Specifies who the Transmission Provider is in this context.
<del>Both Transmission Provider The Participating TO, ISO, and Interconnection Customer</del>	<b>5.1.3 Option to Build</b>	Specifies that all three parties must agree as to what constitutes Stand Alone Network Upgrades.
<del>Except for Stand Alone Network Upgrades,</del>	<b>5.1.3 Option to Build</b>	Makes term consistent with the defined term.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.1.4 Negotiated Option</b>	Specifies who the Transmission Provider is in this context.
<del>pursuant to Article 5.1.1, Standard Option.</del>	<b>5.1.4 Negotiated Option</b>	Clarifies the meaning of the phrase.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.2 General Conditions Applicable to Option to Build</b>	Specifies who the Transmission Provider is in this context.
<del>(3) Transmission Provider the Participating TO shall review, and the</del>	<b>5.2(3)</b>	Clarifies that the Participating TO is only obligated to approve the facilities on a

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>Interconnection Customer shall obtain the Participating TO's approval of e, the engineering design, equipment acceptance tests, and the construction of the <del>Transmission Provider</del> 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;</u></p>		<p>reasonable, but not absolute, basis. Also, gives the ISO the option to review the design and construction of the facilities, but does not give the ISO any approval rights over such facilities.</p>
<p><u>(4) prior to commencement of construction, Interconnection Customer shall provide to the <del>Transmission Provider</del> Participating TO, with a copy to the ISO for informational purposes, a schedule for construction</u></p>	<p><b>5.2(4)</b></p>	<p>Requires the Interconnection Customer to provide a copy of its schedule for construction to the ISO, so that the ISO can stay informed about construction schedules.</p>
<p><u>(7) the Interconnection Customer shall indemnify the <del>Transmission Provider</del> ISO and Participating TO for claims arising from the Interconnection Customer's construction of <del>Transmission Provider</del> Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;</u></p>	<p><b>5.2(7)</b></p>	<p>Clarifies who the Transmission Provider is in these contexts. The Interconnection Customer should indemnify both the Participating TO and the ISO for claims arising from its construction of the facilities.</p>
<p><u>(8) If the Interconnection Customer retains ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall transfer control of <del>Transmission Provider</del> Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO and become a party to the <u>Transmission Control Agreement with regard to the Stand Alone Network Upgrades</u> <del>Transmission Provider</del>;</u></p>	<p><b>5.2(8)</b></p>	<p>Clarifies how and to whom the Interconnection Customer must transfer control of any facilities it constructs. [Because Operational Control of the Stand Alone Network Upgrades must be transferred to the Transmission Provider (the ISO in this context) they will become part of the ISO Controlled Grid, and the Interconnection Customer, if it retains ownership of those facilities, must thus become a party to the ISO's Transmission Control Agreement.]</p>
<p><u>If the Interconnection Customer transfers ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, then as soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's</u></p>	<p><b>5.2(8)</b></p>	<p>Clarifies the process for invoicing for any facilities the Interconnection Customer constructs for which it transfers ownership.</p>



## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>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><del>(9) Transmission Provider the Participating TO shall approve and accept for operation and maintenance the Transmission Provider Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2, which operation and maintenance shall be provided in accordance with a separate agreement between the Interconnection Customer and the Participating TO; and</del></p>	5.2(9)	<p>Clarifies that the Participating TO, not the ISO, will perform operation and maintenance on the facilities built by the Interconnection Customer, pursuant to the terms and conditions of a separate O&amp;M agreement to be negotiated by the parties.</p>
<p><del>(10) 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.</del></p>	5.2(10)	<p>This catch-all requires the Interconnection Customer to design and build the facilities in compliance with standards set forth in an appendix to the LGIA. This is necessary to ensure safety and reliability of the ISO Controlled Grid and the Participating TO's electrical system.</p>
<p><del>Transmission Provider Participating TO (throughout)</del></p>	5.3 <b>Liquidated Damages</b>	<p>Specifies who the Transmission Provider is in this context.</p>
<p><del>Large Electric Generating Facility Unit (throughout)</del></p>	5.3	<p>Clarifies that this provision applies to each Electric Generating Unit, not only to the facility as a whole.</p>
<p><del>but for Transmission Provider Participating TO's or ISO's delay;</del></p>	5.3	<p>Specifies who the Transmission Provider is in this context.</p>
<p><del>or any other Interconnection Customer who has entered into an LGIA interconnection agreement with the Transmission Provider- ISO and/or Participating TO</del></p>	5.3	<p>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.</p>
<p><del>, action or inaction by the ISO, or any cause beyond Transmission Provider Participating TO's reasonable control or</del></p>	5.3	<p>This change is necessary to ensure that no action or inaction on the part of the ISO could subject the Participating TO to</p>

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
reasonable ability to cure;		liquidated damages.
(3) the <u>Interconnection Customer</u>	<b>5.3</b>	Necessary to conform to capitalized term.
<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>	<b>5.3</b>	Clarifies that the ISO shall not be subject to liquidated damages, as it is not building the facilities. The Interconnection Customer would be limited to seek actual damages, if applicable, from the ISO.
<u>and in accordance with the provisions of Section 5.4.1 of the ISO Tariff. <del>Transmission Provider</del> 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.</u>	<b>5.4</b>	Specifies that the ISO Tariff, in addition to Applicable Reliability Council criteria, applies to operating standards with regard to Power System Stabilizers.
<u>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. <del>Transmission Provider's system operator, or its designated representative.</del></u>	<b>5.4</b>	Requires the Interconnection Customer to notify both the ISO and the Participating TO in order to reliably and safely operate the power system, and clarifies that the Power System Stabilizers will be restored in accordance with the Applicable Reliability Council Reliability Management System Agreement.
<u>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>	<b>5.4</b>	Clarifies the ISO's right to operate the system, including ordering reduction in output in order to safely and reliably operate the power system.
<u><del>Transmission Provider</del> Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the <del>Transmission Provider</del> Participating TO, then the <del>Transmission Provider</del> Participating TO shall commence design of the <del>Transmission Provider</del> Participating TO's Interconnection Facilities</u>	<b>5.5</b>	Specifies who the Transmission Provider is in this context.
<u>The <del>Transmission Provider</del> Participating TO has completed the <u>Interconnection Facilities Study</u> pursuant to the <u>Interconnection Facilities Study Agreement</u></u>	<b>5.5.1</b>	Specifies who the Transmission Provider is in this context and identifies the Facilities Study as the defined term Interconnection Facilities Study.
<u><del>Transmission Provider</del> Participating TO</u>	<b>5.5.2</b>	Specifies who the Transmission Provider is in this context.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Transmission Provider Participating TO</del>	5.5.3	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO shall commence construction of the Transmission Provider Participating TO's</del>	5.6	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO's</del>	5.6.2	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO</del>	5.6.3	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO</del>	5.6.4	Specifies who the Transmission Provider is in this context.
Either Any Party may, at any time, request a progress report from the <del>another</del> Party. If, at any time, the Interconnection Customer determines that the completion of the <del>Transmission Provider Participating TO's</del> Interconnection Facilities will not be required until after the specified <del>In-Service Date</del> , the Interconnection Customer will provide written notice to the <del>Transmission Provider Participating TO and ISO</del> of such later date upon which the completion of the <del>Transmission Provider Participating TO's</del> Interconnection Facilities will be required	5.7	Identifies that there are three parties and specifies who the Transmission Provider is in this context.
<del>Parties' Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission Provider Participating TO's Transmission System</del>	5.8	Adds language to distinguish between the Interconnection Customer's Interconnection Facilities and the Participating TO's Interconnection Facilities, as the ISO does not have any Interconnection Facilities. Specifies who the Transmission Provider is in this context.
<del>Transmission Provider 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 Unit, Transmission Provider the Participating TO and/or ISO, as applicable, shall, upon the request and at the expense of 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 the Transmission Provider Participating TO's Interconnection Facilities or</del>	5.9	Specifies who the Transmission Provider is in this context, identifies that in this context, the limited operation of a single Electric Generating Unit is correct, identifies that the Participating TO and/or the ISO may perform studies and that the Participating TO and the ISO are the Transmission Providers in this context and both must permit the Interconnection Customer to operate the Electric Generating Unit.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA.  <del>Transmission Provider The Participating TO and ISO shall permit Interconnection Customer to operate the Large Electric Generating Facility Unit and the Interconnection Customer's</del></p>		
<p>Interconnection Customer shall, at its expense, design, procure, construct, own and install the <u>ICIF Interconnection Customer's Interconnection Facilities</u>, as set forth in Appendix A, <del>Interconnection Facilities, Network Upgrades and Distribution Upgrades</del></p>	<p><b>5.10 Interconnection Customer's Interconnection Facilities. ("ICIF")</b></p>	<p>Eliminates the reference to ICIF and uses the defined term Interconnection Customer's Interconnection Facilities for consistency and clarity. Eliminates the use of the title of Appendix A to avoid confusion.</p>
<p>the <u>ICIF Interconnection Customer's Interconnection Facilities and Large Generating Facility</u>, including System Protection Facilities, to <del>Transmission Provider the Participating TO and the ISO</del> 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.  <del>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, and any other applicable requirements of the Transmission Provider Participating TO and the ISO and</del></p>	<p><b>5.10.1</b></p>	<p>Eliminates the reference to ICIF and uses the defined term Interconnection Customer's Interconnection Facilities for consistency and clarity.  Adds the requirement that Interconnection Customer submit specifications for the Large Generating Facility, as well as the Interconnection Customer's Interconnection Facilities.  Clarifies that the specifications should be transmitted to both the Participating TO and the ISO, and that both shall review the specifications in accordance to the procedures set forth in the LGIA and the LGIP, to ensure that the facilities are compatible with not only the requirements in the Section 5.10.1, but are also consistent with any other applicable requirements.</p>
<p><del>Transmission Provider The Participating TO's and the ISO's</del> review of 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 <u>ICIF Interconnection Customer's Interconnection Facilities</u>.  Interconnection Customer shall make such changes to the <u>ICIF Interconnection Customer's Interconnection Facilities</u> as may reasonably be required by the</p>	<p><b>5.10.2 Transmission Provider Participating TO's and ISO's Review</b></p>	<p>Specifies that the both the ISO and the Participating TO shall review the specifications. Eliminates the reference to ICIF and uses the defined term Interconnection Customer's Interconnection Facilities for consistency and clarity.   Adds the term Large Generating Facilities to stay consistent with prior provision.   Specifies that the telemetry, communications and safety requirements of both the Participating TO and the ISO must be met.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>Transmission Provider Participating TO or the ISO, in accordance with Good Utility Practice, to ensure that the <u>ICIF Interconnection Customer's Interconnection Facilities</u> are compatible with the telemetry, communications, and safety requirements of the <del>Transmission Provider Participating TO or the ISO.</del></del></p>		
<p>The <del>ICIF</del><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 <del>Parties Participating TO and Interconnection Customer</del> agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the <del>Transmission Provider Participating TO and ISO</del> "as-built" drawings, information and documents for the <u>ICIF 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 <del>ICIF</del><u>Interconnection Customer's Interconnection Facilities</u>, plan and elevation drawings showing the layout of the <del>ICIF Interconnection Customer's Interconnection Facilities</del>, 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 <del>ICIF Interconnection Customer's Interconnection Facilities</del>, and the impedances (determined by factory tests) for the associated step-up transformers and the <u>Large Electric Generating Facilities Units</u>. The Interconnection Customer shall provide the <del>Transmission Provider the Participating TO and the ISO</del> specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications. <u>Any</u> deviations from the relay settings,</p>	<p><b>5.10.3 (ICIF) Interconnection Customer's Interconnection Facilities Construction.</b></p>	<p>Eliminates the reference to ICIF and uses the defined term Interconnection Customer's Interconnection Facilities for consistency and clarity.</p> <p>Specifies who the Transmission Provider is in this context.</p> <p>Specifies that drawings and technical information must be delivered to both the Participating TO and the ISO. Identifies that this provision is referring to individual generating units, not the entire Generating Facility.</p> <p>Identifies that any deviation of the specifications and information presented by the Interconnection Customer will be reviewed, studied and handled according to the provisions of the LGIA and the LGIP.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>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>		
<u>The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.</u>	<b>5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook</b>	Identifies that the technical requirements in the Participating TO's Interconnection Handbook for generators will apply.
<del>Transmission Provider</del> <u>Participating TO (throughout)</u>	<b>5.11 Participating TO's Interconnection Facilities</b>	Specifies who the Transmission Provider is in this context.
<del>Parties</del> <u>Participating TO and Interconnection Customer</u>	<b>5.11</b>	Specifies who the relevant parties are in this context.
<del>deliver to the Interconnection Customer and the ISO</del>	<b>5.11</b>	Requires the Participating TO to deliver various information to the ISO as well as to the Interconnection Customer
<del>The Transmission Provider</del> <u>Participating TO will obtain control for operating and maintenance purposes of the Transmission Provider 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.</u>	<b>5.11</b>	Clarifies the roles and obligations with respect to control, operation and maintenance of the Interconnection Facilities and the Stand Alone Network Upgrades.
<del>Participating TO's</del> <u>Transmission System (throughout)</u>	<b>5.12 Access Rights</b>	Added so that language corresponds to the defined term.
<del>Transmission Provider or Transmission Owner</del> <u>Participating TO (throughout)</u>	<b>5.13 Lands of Other Property Owners</b>	Specifies who the Transmission Provider and Transmission Owner are in this context.
<del>Is are</del>	<b>5.13</b>	Changes verb tense for proper grammar.
<del>Transmission Provider</del> <u>Participating TO (throughout)</u>	<b>5.13</b>	Specifies who the Transmission Provider is in this context.
<del>The LGIA shall</del> <u>Appendix C specifiesy</u>	<b>5.14 Permits</b>	Clarifies where the information referred to will be located in the LGIA.
<del>Transmission Provider or Transmission Owner</del> <u>Participating TO (throughout)</u>	<b>5.14</b>	Specifies who the Transmission Provider and Transmission Owner are in this context.
<del>Transmission Provider or Transmission Owner and the Interconnection Customer Parties</del>	<b>5.14</b>	Simplifies statement by stating that this provision applies to all parties.
<del>Transmission Provider's</del> <u>Participating TO's</u>	<b>5.14</b>	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider</del> <u>Participating TO</u>	<b>5.15</b>	Specifies who the Transmission Provider

## LGIA Matrix of Changes

Change	Article	Reason for Change
	<b>Early Construction of Base Case Facilities</b>	is in this context.
<u>Participating TO's Transmission System</u>	<b>5.15</b>	Added so that language corresponds to the defined term.
included in the Base Case of the <u>Interconnection Facilities Studies</u> y for the Interconnection Customer,	<b>5.15</b>	Clarifies that all of the Interconnection Studies, not only the Interconnection Facilities Study, include the Base Case.
<del>Transmission Provider the Participating TO and the ISO, to suspend at any time all work by Transmission Provider associated with the construction and installation of . . .</del>	<b>5.16 Suspension</b>	Clarifies that the Interconnection Customer must give notice to both the ISO and the Participating TO.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.16</b>	Specifies who the Transmission Provider is in this context.
LGIA with the condition that the <del>Transmission Provider the Participating TO and the ISO</del> shall be left in a safe and reliable condition in accordance with Good Utility Practice and the <del>Transmission Provider the Participating TO's</del> safety and reliability criteria <u>and the ISO's Applicable Reliability Standards.</u>	<b>5.16</b>	Clarifies that the, upon suspension, Interconnection Customer must leave both the ISO and Participating TO in a safe and reliable condition, and must comply with both of the applicable safety and reliability standards.
<del>Transmission System Participating TO's electric system</del>	<b>5.16</b>	Specifies that the Interconnection Customer will be responsible for, among other things, the costs the Participating TO has incurred to maintain the safety and reliability of its electrical system.
In the event Interconnection Customer suspends work by <del>Transmission Provider</del> required under this LGIA pursuant to this Article 5.16, and has not requested <del>Transmission Provider Participating TO</del> to recommence the work or <u>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.	<b>5.16</b>	These changes are necessary because under the current LGIA the Interconnection Customer may be entitled to build certain facilities. Thus, this section 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.
<del>Transmission Provider Participating TO (throughout)</del>	<b>5.17 Taxes</b>	Specifies who the Transmission Provider is in this context.
or as an <u>refundable</u> advance,	<b>5.17.1 Interconnection Payments Not Taxable</b>	Clarifies the type of advance for tax treatment purposes.
(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 <del>Transmission System</del> ISO Controlled	<b>5.17.2 Representations and Covenants</b>	Clarifies that this clause applies to ownership of electricity that passes through the ISO Controlled Grid, for purposes of qualifying under the IRS Safe Harbor Notice 2001-82.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>Grid</u></p> <p>For this purpose “de minimis amount” means no more than 5 percent of the total power flows in both directions <u>during each of the first ten (10) years after the Commercial Operation Date</u>, calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129.</p>	<p><b>5.17.2 Representations and Covenants</b></p>	<p>Clarifies requirements for the “de minimis test” as set forth in IRS Notice 88-129.</p>
<p><del>At Transmission Provider</del> <u>the Participating TO’s</u> request, Interconnection Customer shall provide <del>Transmission Provider</del> <u>Participating TO</u> with a report from an independent engineer confirming its representation in clause (iii), above.</p>	<p><b>5.17.2 Representations and Covenants</b></p>	<p>Specifies who the Transmission Provider is in this context, as either the ISO or the Participating TO may make such a request to the Interconnection Customer.</p>
<p><del>Transmission Provider</del> <u>Participating TO</u> represents and covenants that the cost of the <del>Transmission Provider</del> <u>Participating TO’s</u> Interconnection Facilities paid by 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><b>5.17.2 Representations and Covenants</b></p>	<p>Specifies who the Transmission Provider is in this context. Clarifies that only payments made by 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).</p>
	<p><b>15.7.3 Indemnification for Taxes Imposed Upon Transmission Provider Participating TO</b></p>	<p>Specifies who the Transmission Provider is in this context.</p>
<p>Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless <del>Transmission Provider</del> <u>the Participating TO</u> from income taxes imposed against <del>Transmission Provider</del> <u>the Participating TO</u> as the result of payments or property transfers made by Interconnection Customer to <del>Transmission Provider</del> <u>the Participating TO</u> under this LGIA, <u>including income taxes resulting from circumstances described in Section 5.17.6...</u></p>	<p><b>5.17.3 Indemnification for Taxes Imposed Upon Transmission Provider Participating TO</b></p>	<p>Specifies who the Transmission Provider is in this context.</p> <p>Clarifies Participating TO’s ability to request security from the Interconnection Customer for subsequent taxable events as defined in Section 5.17.6.</p>
<p><u>Unless the Federal Energy Regulatory Commission rules otherwise, the Participating TO</u> may require Interconnection Customer to provide security, <u>in an amount not to exceed the gross-up computed under Section 5.17.4, assuming the payments or property transfers described in this</u></p>	<p><b>5.17.3 Indemnification for Taxes Imposed Upon Transmission Provider Participating TO</b></p>	<p>Provides additional clarification that the Participating TO’s ability to request security pursuant to Section 5.17.3 extends to subsequent taxable events as defined in Section 5.17.6.</p> <p>Also provides clarification of Transmission Provider’s ability to request security from</p>



## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>Section 5.17.3 had been includible in the Participating TO's income subject to taxation at the time of transfer. Such security shall be provided 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 Interconnection Customer's estimated tax liability under this Article 5.17 until (x) in the case of a refundable contribution (e.g. an advance for system upgrades), the date the obligation to refund becomes fixed or (y) in the case of a non-refundable contribution (e.g., a contribution for an intertie), the date the risk of subsequent taxability described in Article 15.7.6 no longer exists, as reasonably determined by Participating TO. Interconnection Customer shall reimburse Transmission Provider the Participating TO for such taxes 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.</u></p>		<p>the Interconnection Customer in connection with system upgrade payments made subject to potential refund.</p>
<p><u>provided that any expense incurred by the Participating TO to a third party (e.g., bank) in providing such security shall be paid by the Interconnection customer.</u></p>	<p><b>5.17.3 Indemnification for Taxes Imposed Upon Transmission Provider Participating TO</b></p>	<p>Clarifies that any expenses incurred by the Participating TO to provide Interconnection Customer with security will be paid by the Interconnection Customer. Such cost treatment is reasonable due to credit risks (ownership structure and capitalization) associated with an Interconnection Customer as compared to a Participating TO.</p>
<p>The indemnification obligation shall terminate the <u>later</u> earlier of</p>	<p><b>5.17.3</b></p>	<p>Provides clarification concerning when the Interconnection Customer's indemnification obligation terminates. Clarification is made to account for the fact that a subsequent taxable event 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 year the contributions were received.</p>
<p><u>(2) the date the risk of subsequent taxability as described in Section 5.17.6 no longer exists, as reasonably determined by Participating TO occurrence of a subsequent taxable event and the payment of any related</u></p>	<p><b>5.17.3 Indemnification for Taxes Imposed Upon Transmission Provider</b></p>	<p>Clarifies that Participating TO's right to request security pursuant to Section 5.17.3 extends to subsequent taxable events as contemplated in Section 5.17.6.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>indemnification obligations as contemplated by this Article 5.17.</del>	<u>Participating TO</u>	
The <del>Transmission Provider</del> <u>Participating TO</u> and Interconnection Customer shall cooperate in good faith with respect to the submission of such request, <u>provided, however, Interconnection Customer explicitly acknowledges (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>	<b>5.17.5 Private Letter Ruling or Change or Clarification of Law</b>	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.
If, <del>within 10 years from the date on which the relevant Transmission Provider Interconnection Facilities are placed in service,</del>	<b>5.17.6 Subsequent Taxable Events</b>	Because a subsequent taxable event under IRS Notices 2001-82 and 88-129 can occur after 10 years, language placing a 10 year limitation should be deleted.
Interconnection Customer shall pay to <del>the Transmission Provider</del> <u>Participating TO</u> on a periodic basis, as invoiced by the <del>Transmission Provider</del> <u>Participating TO</u> , the <del>Transmission Provider</del> <u>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.</u>	<b>5.17.7 Contests</b>	Specifies who the Transmission Provider is in this context.  Clarifies what costs the Interconnection Customer is responsible for in a tax contest.
The <u>Participating TO</u> may abandon any contest if the <u>Interconnection Customer</u> fails to provide payment within thirty (30) Calendar Days of receiving such invoice.	<b>5.17.7 Contests</b>	Clarifies Interconnection Customer's obligation to make timely payments to the Participating TO for the Participating TO's documented reasonable costs accrued in the tax contest.
<del>Transmission Provider</del> the <u>Participating TO</u> may agree to a settlement either with Interconnection Customer's consent or, <u>if such consent is refused,</u> after obtaining written advice from <u>independent</u> nationally-recognized tax counsel ...	<b>5.17.7</b>	Clarifies under what circumstances the Participating TO may agree to a settlement.
the preceding sentence <del>paragraph.</del> <u>Any settlement</u> The <u>Participating TO</u> may also settle any tax controversy without receiving Interconnection Customer's consent or <u>any</u> such written advice; <u>however, any such settlement will</u> relieve Interconnection Customer from any obligation to indemnify <del>Transmission Provider</del> the <u>Participating TO</u> for the tax at issue in the contest <u>(unless the failure to obtain written advice is attributable to Interconnection</u>	<b>5.17.7</b>	Clarifies that if the Participating TO settles without the Interconnection Customer's consent, the Interconnection Customer is relieved of any further liability, <u>unless</u> the Interconnection Customer has unreasonably withheld its consent to appoint nationally recognized tax counsel.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>Customer's unreasonable refusal to the appointment of independent tax counsel).</u>		
The intent of this provision is to leave both the pParties,	5.17.8	Indicates a three party agreement.
<del>Transmission Provider the ISO or Participating TO; (throughout) Interconnection Customer, the ISO, and Transmission Provider Participating TO</del>	<b>5.17.9 Taxes Other Than Income</b>	Specifies who the Transmission Provider is in this context, i.e. that this section applies both to the Participating TO and the ISO.
<del><b>5.17.10 Transmission Owners Who Are Not Transmission Providers.</b> If the 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 the Transmission Provider under this Article 5.17 of this LGIA.</del>	5.17.10	Deleted as unnecessary because the LGIA lays out the appropriate distinctions between Transmission Owner and Transmission Provider throughout the agreement.
Parties' y's	<b>5.18 Tax Status</b>	Specifies that the provision applies to all three parties.
<u>The ISO's or any Transmission Provider's Participating TO's</u>	5.18	Specifies that this provision applies to both the ISO and the Participating TO.
<u>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.</u>	<b>5.19.1 Modification</b>	Clarifies who the relevant parties are for this clause, and also clarifies that each party's rights to make modifications is subject to any other limitations specified in the LGIA and/or the ISO Tariff.
Parties' y's (throughout)	5.19.1	Specifies that the provision applies to all three parties.
<del>Transmission Provider the ISO or Participating TO</del>	5.19.1	Specifies who the Transmission Provider is in this context.
<del>the Transmission System ISO Controlled Grid</del>	5.19.1	Clarifies that this clause applies to the entire ISO Controlled Grid
<del>Transmission Provider Participating TO's Interconnection Facilities or Network Upgrades or Distribution Upgrades</del>	5.19.1	Specifies who the Transmission Provider is in this context, and conforms language to defined term. Adds Distribution Upgrades to the list of facilities that may be necessary if an Interconnection Customer makes a modification.
<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>	5.19.1	This clarifies that the Participating TO and ISO must first determine whether a modification is a Material Modification in order to determine whether an additional Interconnection Request is required.

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
assigned for the costs	5.19.3	Editorial improvement.
<del>Transmission Provider</del> <u>Participating TO</u> (throughout)	5.19.3	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider's</del> ISO	5.19.3	Specifies that this clause refers to the ISO Tariff.
Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the <del>Interconnection Customer</del> Interconnection Facilities that may be necessary to maintain or upgrade such <del>Interconnection Customer</del> Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.	5.19.3	This change clarifies that the Interconnection Customer is responsible for the costs of additions, modifications, or replacement to any of the Interconnection Facilities (but not Network Upgrades) that are necessary to maintain or upgrade those Interconnection Facilities. This change reflects current practice in California.
<del>Transmission Provider</del> <u>Participating TO</u>	<b>6.1 Pre-Commercial Operation Date Testing and Modifications</b>	Clarifies that the Transmission Provider is the Participating TO in this context.
Customer's	6.1	Editorial Improvement
<del>Transmission Provider</del> <u>Participating TO's</u> Interconnection Facilities, and Network Upgrades, and <u>Distribution Upgrades ...</u>	6.1	Clarifies that Distribution Upgrades also should be tested prior to commercial operation of the Large Generating Facility.
<u>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>	6.1	Provides clarification on procedure for initial parallel operation of an Electric Generating Unit. This would ensure unambiguous communication through a written approval that the technical requirements have been met and that initial parallel operation may commence.
<u>Participating TO's</u> Transmission system	<b>6.2 Post-Commercial Operation Date Testing and Modifications</b>	Clarifies that the Transmission System in this context is that of the Participating TO's.
<u>Parties</u> y	<b>6.3 Right to Observe Testing</b>	Indicative of a three party agreement
<u>...at least fourteen (14) days</u> y in advance of its performance of tests of its Interconnection Facilities ...	<b>6.3 Right to Observe Testing</b>	Provides a definitive time frame for notification.
<u>... or Generating Facility.</u>	<b>6.3 Right to Observe Testing</b>	Clarifies that the Interconnection Facilities could be the generator or any facilities between the generator and point of interconnection.
The other <u>Parties have</u> y has the right, at <del>it</del> <u>their own</u> expense, to observe	<b>6.3 Right to Observe</b>	Indicative of a three party agreement

## LGIA Matrix of Changes

Change	Article	Reason for Change
such testing.	<b>Testing</b>	
..the <u>another Party's</u>	<b>6.4 Right to Inspect</b>	Indicative of a three party agreement
<del>Transmission Provider</del> <u>Participating TO or ISO</u>	<b>6.4 Right to Inspect</b>	Specifies who the Transmission Provider is in this context.
<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>	<b>7.1 General</b>	This clarifies that the Interconnection Customer's revenue metering is covered by the existing provisions of the ISO Tariff – as those provisions apply uniformly to all Electric Generating Units interconnected to the ISO Controlled Grid.
<u>Unless otherwise agreed by the Parties Participating TO and the Interconnection Customer, Transmission Provider shall the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of the <del>Large any Electric Generating Facility Unit</del> ...</u>	<b>7.1 General</b>	This clarifies that the Participating TO may have separate revenue metering installed for the Interconnection Customer's Generating Facility and that such metering will be covered by the terms of this provision.  This also clarifies that the Participating TO's revenue metering may apply to each individual Electric Generating Unit of the Interconnection Customer.
<u>Power flows to and from the Large Generating Facility shall be measured at or, at <del>Transmission Provider's the ISO's or Participating TO's option for its respective Metering Equipment,</del> compensated to, the Point of Interconnection.</u>	<b>7.1 General</b>	This clarifies that the provision for compensation of the revenue metering values will be made for the revenue metering of both the ISO and the Participating TO, if applicable.
<del>Transmission Provider</del> <u>The ISO shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system.</u>	<b>7.1 General</b>	This clarifies that the Interconnection Customer's access to revenue meter data will be provided by the ISO in accordance with the existing provisions of the ISO Tariff – as those provisions apply uniformly to all Electric Generating Units interconnected to the ISO Controlled Grid.
<u>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 <del>Transmission Provider the ISO-poll</del>ed meters or Participating TO's meters.</u>	<b>7.2 Check Meters</b>	This clarifies that the Interconnection Customer's check meters may serve the purpose of checking either the ISO metering or the Participating TO metering.
<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 <del>Article 7.4 below</del></u>	<b>7.2 Check Meters</b>	This deletion is needed because the referenced Article is proposed for deletion.
<u>...in the case that no other means are available on a temporary basis at the option of the ISO or the Participating</u>	<b>7.2 Check Meters</b>	This addition is necessary because, according to current practices in California, check meters can be used as a

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>TO.</u>		back up in the case that other meters fail.
The check meters shall be subject at all reasonable times to inspection and examination by <del>Transmission Provider</del> the ISO or Participating TO or <del>its</del> <u>their</u> designees.	<b>7.2 Check Meters</b>	This clarifies that either the ISO or Participating TO may have an interest in inspecting the Interconnection Customer's check meters.
<del>Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards. The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.</del>	<b>7.3 Standards Participating TO Retail Metering</b>	This clarifies that the Participating TO has the right to install, if necessary, retail revenue metering to measure any energy consumption of load at the Interconnection Customer's site, which metering will be governed by the Participating TO's retail tariffs and not the LGIA.
<b>Articles deleted.</b>	<b>7.3 Standards 7.4 Testing of Metering Equipment 7.5 Metering Data</b>	These provisions are proposed for deletion because they address matters with regard to which the ISO is already subject to the existing provisions of the ISO Tariff – which provisions apply uniformly to the ISO with regard to all Electric Generating Units interconnected to the ISO Controlled Grid. The deletions avoid the possibility of overlapping or inconsistent requirements applicable to the ISO.
Interconnection Customer shall maintain satisfactory operating communications <u>with the ISO in accordance with the provisions of the ISO Tariff and with Transmission Provider's Transmission System the Participating TO's dispatcher or representative designated by Transmission Provider</u> <u>the Participating TO.</u>  <del>Transmission Provider the ISO and Participating TO</del>  <del>Transmission Provider the ISO and Participating TO</del>	<b>8.1 Interconnection Customer Obligations</b>	These changes clarify that the Interconnection Customer must provide operating communications to both the ISO and the Participating TO, and that communications to the ISO need to be in accordance with the existing provisions of the ISO Tariff – which provisions apply uniformly with regard to all Electric Generating Units interconnected to the ISO Controlled Grid.
Prior to the Initial Synchronization Date of the <del>Large</del> <u>each Electric</u> Generating Facility <u>Unit</u> , a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to <del>both</del> <u>the Parties</u> , shall be installed by Interconnection Customer, or by <del>Transmission Provider the Participating TO</del> at Interconnection Customer's	<b>8.2 Remote Terminal Unit</b>	This clarifies that a Remote Terminal Unit (RTU) must be installed prior to the operation of any Electric Generating Unit.  This clarifies that the RTU may be installed by either the Interconnection Customer or the Participating TO, in a form agreed to by all of the Parties, with the data to be delivered to both the ISO and the Participating TO.

## LGIA Matrix of Changes

Change	Article	Reason for Change
expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by <del>Transmission Provider</del> <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.		
<u>Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry.</u>	<b>8.2 Remote Terminal Unit</b>	This clarifies that telemetry to the ISO needs to be provided in accordance with the existing provisions of the ISO Tariff – which provisions apply uniformly with regard to all Electric Generating Units interconnected to the ISO Controlled Grid.
<del>For telemetry to the Participating TO,</del> <u>The communication protocol for the data circuit(s) shall be specified by Transmission Provider the Participating TO.</u>	<b>8.2 Remote Terminal Unit</b>	This clarifies that telemetry to the Participating TO will be governed by the Participating TO's communication protocol.
Instantaneous bi-directional <del>analog</del> real power and reactive power flow <u>and any other required</u> information must be telemetered directly to the location(s) specified by <del>Transmission Provider the</del> <u>Participating TO.</u>	<b>8.2 Remote Terminal Unit</b>	This clarifies that the Participating TO may specify the data to be telemetered to it.
...other Parties  ...by the <u>another Party.</u>	<b>8.2 Remote Terminal Unit</b>	These changes reflect a three-Party LGIA.
Each Party shall comply with 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>	<b>9.1 General</b>	This addition makes clear that the Interconnection Customer must comply with the WECC requirement that it not only comply with WECC requirements, but also execute the referenced WECC pro forma agreement.
At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the <del>Transmission Provider</del> <u>ISO and Participating TO</u> in writing of the Control Area in which the Large Generating Facility <del>will</del> <u>intends to</u> be located.	<b>9.2 Control Area Notification</b>	Specifies who the Transmission Provider is in this context: it is both the ISO and the Participating TO that must be notified of intent to locate in the ISO Control Area.  The term "intends" is more accurate, as the ability to choose a Control Area is dependent on the terms of the relevant tariffs.
If the Interconnection Customer <del>elects</del> <u>intends to</u> locate the Large Generating Facility in a Control Area other than the Control Area <del>in which</del> <u>within whose electrically metered boundaries</u> the Large Generating Facility is <del>physically</del> located,	<b>9.2 Control Area Notification</b>	The term "intends" is more accurate, as the ability to choose a Control Area is dependent on the terms of the relevant tariffs.  For locations where Control Area boundaries are a factor, location with respect to electrically metered boundaries

## LGIA Matrix of Changes

Change	Article	Reason for Change
		is more important than only physical location.
<p><del>Transmission Provider</del>ISO and <del>Participating TO</del> shall cause the <del>Participating TO's</del> Transmission System and the <del>Transmission Provider's</del> Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA.</p>	<p><b>9.3</b> <b>Transmission Provider</b> <b>ISO and</b> <b>Participating TO</b> <b>Obligations</b></p>	<p>Specifies who the Transmission Provider is in this context: it is both the ISO and the Participating TO that have responsibilities for operation and control of the Transmission System.</p> <p>This clarifies that it is the Participating TO and not the ISO that owns the Transmission System.</p> <p>Interconnection Facilities are addressed separately by inserting a subsequent sentence.</p> <p>This LGIA does not address Transmission System maintenance; it is addressed in the Transmission Control Agreement among the ISO and all of the Participating TOs.</p>
<p><del>Participating TO</del> at Interconnection Customer's expense shall cause the <del>Participating TO's</del> Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA.</p>	<p><b>9.3</b> <b>Transmission Provider</b> <b>ISO and</b> <b>Participating TO</b> <b>Obligations</b></p>	<p>Deletions in the previous sentence and insertion of this sentence clarifies that maintenance of the Participating TO's Interconnection Facilities is solely the responsibility of the Participating TO and that maintenance of Interconnection Facilities is addressed in the LGIA, but not maintenance of the Transmission System.</p>
<p><del>Transmission Provider</del>ISO and <del>Participating TO</del> may provide operating instructions to Interconnection Customer consistent with this LGIA and <del>Transmission Provider's</del><u>Participating TO and ISO</u> operating protocols and procedures as they may change from time to time.</p>	<p><b>9.3</b> <b>Transmission Provider</b> <b>ISO and</b> <b>Participating TO</b> <b>Obligations</b></p>	<p>Specifies who the Transmission Provider is in this context: it is both the ISO and the Participating TO that may provide operating instructions, operating protocols, and operating procedures to the Interconnection Customer.</p>
<p><del>Transmission Provider</del><u>Participating TO and ISO</u> will consider changes to <del>its</del>their operating protocols and procedures proposed by Interconnection Customer.</p>	<p><b>9.3</b> <b>Transmission Provider</b> <b>ISO and</b> <b>Participating TO</b> <b>Obligations</b></p>	<p>Specifies who the Transmission Provider is in this context: it is both the ISO and the Participating TO that will consider changes to their operating protocols and procedures.</p>
<p>Interconnection Customer's Interconnection Facilities</p> <p>Interconnection Customer's Interconnection Facilities</p>	<p><b>9.4</b> <b>Interconnection Customer</b> <b>Obligations</b></p>	<p>This change helps to clarify the possession or ownership of these specific Interconnection Facilities.</p>
<p>...in accordance with all applicable requirements of the Control Area of which it is part, <del>as</del> including such</p>	<p><b>9.4</b> <b>Interconnection Customer</b></p>	<p>This change clarifies that other control area requirements must be adhered to, beyond those requirements set forth in</p>



## LGIA Matrix of Changes

Change	Article	Reason for Change
requirements are <u>as</u> set forth in Appendix C....	<b>Obligations</b>	Appendix C.
Either <u>A</u> Party may request that <del>the</del> another Party provide copies of the requirements ...	<b>9.4 Interconnection Customer Obligations</b>	These changes reflect a three-Party LGIA.
<u>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>	<b>9.4 Interconnection Customer Obligations</b>	This would ensure unambiguous communication through a written approval that the technical requirements specified in this LGIA have been met and that commercial operation may commence.
Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of <del>the Large</del> <u>each Electric Generating Facility Unit</u> to the <del>Transmission Provider's Transmission System</del> <u>ISO Controlled Grid</u> .	<b>9.5 Start-Up and Synchronization</b>	This specifies that synchronization should occur between each individual Electric Generating Unit and the ISO Controlled Grid.
<u>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 0.95-0.90 lagging, unless Transmission Provider the ISO has established</u>	<b>9.6.1 Power Factor Design Criteria</b>	This clarifies the required power factor range at the terminals of the generating unit. From an engineering perspective, this power factor range of 0.95 leading to 0.90 lagging at the terminals of the generator is consistent with a range of 0.95 leading to 0.95 lagging where the Point of Interconnection is electrically close. This language references the

## LGIA Matrix of Changes

Change	Article	Reason for Change
different requirements that apply to all generators in the Control Area on a comparable basis.		terminals of the generating unit because that is where ISO meters generally are located.
<p>Once the Interconnection Customer has synchronized the <del>Large an Electric Generating Facility Unit</del> with the <del>Transmission System</del> <u>ISO Controlled Grid</u>,</p> <p><del>Transmission Provider</del> <u>the ISO or Participating TO</u> shall require Interconnection Customer to <u>maintain a voltage schedule by</u></p> <p><del>operating</del> <u>the Large Electric Generating Facility Unit</u> to produce or absorb reactive power within the design limitations of the <del>Large Electric Generating Facility Unit</del> set forth in Article 9.6.1 (Power Factor Design Criteria).</p>	<b>9.6.2 Voltage Schedules</b>	<p>This specifies that synchronization occurs between each individual Electric Generating Unit and the ISO Controlled Grid.</p> <p>Specifies who the Transmission Provider is in this context: it is both the ISO and the Participating TO that may provide operating protocols and procedures, such as requiring the Interconnection Customer to maintain a voltage schedule.</p> <p>This specifies that reactive power is produced or absorbed within each individual Electric Generating Unit.</p>
<del>Transmission Provider</del> <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.	<b>9.6.2 Voltage Schedules</b>	This change clarifies that the ISO is the source for voltage schedules.
<del>Transmission Provider</del> <u>The Participating TO</u> shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and <del>the ISO or Participating TO</del> may make changes to such schedules as necessary to maintain the reliability of the <u>ISO Controlled Grid or the Participating TO's Transmission electric Ssystem</u> .	<b>9.6.2 Voltage Schedules</b>	This change clarifies that the Participating TO is responsible for providing voltage schedules to generators and that necessary changes to these schedules can be made (with advance notice) by the ISO or the Participating TO.
<p>Interconnection Customer shall operate the <del>Large Electric Generating Facility Unit</del> to maintain the specified output voltage or power factor <del>at the Point of Interconnection</del> within the design limitations of the <del>Large Electric Generating Facility Unit</del> set forth in Article 9.6.1 (Power Factor Design Criteria),</p> <p><u>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.</u> If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify <del>the System Operator</del> <u>ISO and the Participating TO</u>.</p>	<b>9.6.2 Voltage Schedules</b>	<p>This specifies the design and operation should relate to each individual Electric Generating Unit.</p> <p>This clarifies that the Interconnection Customer must follow the instruction of the ISO, in addition to operating to maintain the specified output voltage or power factor within the design limitations.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>Whenever the <del>Large an Electric Generating Facility Unit</del> is operated in parallel with the <del>Transmission System ISO Controlled Grid</del> and the speed governors (if installed on the <del>Electric gGenerating uUnit</del> pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the <del>Large Electric Generating Facility Unit</del> with its speed governors and voltage regulators in automatic operation. If the <del>Large Electric Generating Facility's Unit's</del> speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify <del>Transmission Provider's system operator, or its designated representative,</del> the ISO and the <del>Participating TO</del> and ensure <del>that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Large Electric Generating Facility's Unit's</del> reactive power production or absorption (measured in MVARs) are within the design capability of the <del>Large Generating Facility's</del> Electric <del>gGenerating uUnit(s)</del> and steady state stability limits.</p>	<p><b>9.6.2.1 Governors and Regulators</b></p>	<p>This specifies that each individual Electric Generating Unit is operated in parallel with the ISO Controlled Grid.</p> <p>Specifies who the Transmission Provider is in this context: both the ISO and the Participating TO that must be notified of change in the automatic operation of speed governors and voltage regulators.</p> <p>Reinforces that each Electric Generating Unit must maintain its voltage schedule when its speed governors and voltage regulators are under manual operation.</p> <p>This specifies the design and operation should relate to each individual Electric Generating Unit.</p>
<p>The Interconnection Customer shall <u>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.</u></p>	<p><b>9.6.2.1 Governor and Regulators</b></p>	<p>A unit's governor and/or voltage regulator could be improperly tuned or malfunctioning even when they are in automatic operation. The unit may not show signs of having a problem at low output levels but at higher output levels oscillations and power swings can occur which could adversely affect the reliability of the grid.</p>
<p>Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the <del>Transmission System-ISO Controlled Grid</del> or trip any <del>Electric gGenerating uUnit</del> comprising the Large Generating Facility...</p>	<p><b>9.6.2.1 Governor and Regulators</b></p>	<p>Specifies the Transmission System in this context is the ISO Controlled Grid because disconnection of the Electric Generating Unit would affect the entire ISO Controlled Grid.</p> <p>This specifies the design and operation should relate to each individual Electric</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>Transmission Provider</del> <u>ISO</u> is required to pay <u>Interconnection Customer</u> for reactive power that <u>Interconnection Customer</u> provides or absorbs from the <u>Large an Electric Generating Facility Unit</u> only in those instances where the <del>Transmission Provider</del> <u>ISO</u> requests the <u>Interconnection Customer</u> to operate its <u>Large Electric Generating Facility Unit</u> outside the agreed upon dead band <u>as specified in Article 9.6.1.</u></p>	<p><b>9.6.3 Payment for Reactive Power</b></p>	<p>Generating Unit.</p> <p>Specifies who the Transmission Provider is in this context: the ISO is obligated to pay for reactive power that is outside the band specified in Article 9.6.1. This also is consistent with Section 2.5.18 of the ISO Tariff.</p> <p>This change also specifies that the design and operation should relate to each individual Electric Generating Unit.</p>
<p>Payments shall be pursuant to Article 11.6 or such other agreement to which the <u>Parties ISO and Interconnection Customer</u> have otherwise agreed.</p>	<p><b>9.6.3 Payment for Reactive Power</b></p>	<p>Specifies who the Parties are in this context: the ISO and the Interconnection Customer are involved in payments for reactive power.</p>
<p><del>...other Parties ...</del></p> <p><del>...impact the another Party ...</del></p> <p><del>...acceptable to both all Parties.</del></p> <p><del>...the other Parties ...</del></p>	<p><b>9.7.1.1 Outages</b></p>	<p>These changes reflect a three-Party LGIA.</p>
<p><del>The Transmission Provider</del> <u>ISO</u> shall post scheduled outages of its <u>transmission ISO Controlled Grid facilities in accordance with the provisions of the ISO Tariff on the OASIS.</u> <u>Interconnection Customer</u> shall submit its planned maintenance schedules for the Large Generating Facility to <del>Transmission Provider</del> <u>for a minimum of a rolling twenty four month period the ISO in accordance with the ISO Tariff.</u> <u>Interconnection Customer</u> shall update its planned maintenance schedules <del>as necessary in accordance with the ISO Tariff.</del></p>	<p><b>9.7.1.2 Outage Schedules</b></p>	<p>Specifies who the Transmission Provider is and which facilities are affected in this context: The ISO posts outages for facilities connected to the ISO Controlled Grid in accordance with the ISO Tariff. This is consistent with current practice.</p> <p>The Interconnection Customer submits and updates planned maintenance schedules to the ISO in accordance with the ISO Tariff. This also is consistent with current practice.</p>
<p><del>Transmission Provider</del> <u>The ISO</u> may request <u>Interconnection Customer</u> to reschedule its maintenance as necessary to maintain the reliability of the <u>Transmission System ISO Controlled Grid in accordance with the ISO Tariff;</u> <del>provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.</del></p>	<p><b>9.7.1.2 Outage Schedules</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO may request rescheduling of planned outages that affect reliability on the ISO Controlled Grid. This is consistent with current practice and the ISO's operational responsibilities.</p> <p>The ISO Outage Coordination Protocol outlines the factors the ISO considers for meeting its Applicable Reliability Criteria.</p>
<p><u>Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the</u></p>	<p><b>9.7.1.2 Outage Schedules</b></p>	<p>This clarifies that information on maintenance schedules should be shared with the Participating TO as well as the ISO because such schedules could have</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>Participating TO concurrently with their submittal to the ISO.</u>		impacts beyond the ISO Controlled Grid.
<del>Transmission Provider</del> The ISO shall compensate Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance <u>in accordance with the ISO Tariff, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost the Interconnection Customer would have incurred absent the Transmission Provider's request to reschedule maintenance.</u>	<b>9.7.1.2 Outage Schedules</b>	Specifies who the Transmission Provider is in this context.  This clarifies that the ISO Tariff includes provisions for compensation of costs due to rescheduled outages.
...affects the <u>another Party's</u> ...  ...provide the other Parties <u>sy</u> ...	<b>9.7.1.3 Outage Restoration</b>	These changes reflect a three-Party LGIA.
...information of the nature of the Emergency Condition, <u>if the outage is caused by an Emergency Condition,</u> ...	<b>9.7.1.3 Outage Restoration</b>	This change is needed to distinguish between outages that may occur due to a variety of operating conditions, and those that occur due to Emergency Conditions.
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>	<b>9.7.1.3 Outage Restoration</b>	To ease unnecessary administrative burdens upon operating personnel, such written notice will be provided only if requested, and emails or faxes specifically will constitute written notice.
If required by Good Utility Practice to do so, <del>Transmission Provider</del> <u>the ISO or the Participating TO</u> may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect <del>Transmission Provider's</del> <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 <del>Transmission Participating TO's electric Ssystem or</del> <u>the ISO Controlled Grid.</u>	<b>9.7.2. Interruption of Service</b>	Specifies who the Transmission Provider is in this context: the ISO or the Participating TO may require interruptions to maintain the safe and reliable operation of the Participating TO's electric system or the ISO Controlled Grid.
Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all <del>Ggenerating Ffacilities</del> directly connected to the <del>Transmission System</del> <u>ISO Controlled Grid, subject to any conditions specified in this LGIA;</u>	<b>9.7.2.2</b>	Specifies the reference is to all generating facilities connected to the ISO Controlled Grid.  Specifies the Transmission System in this context.
When the interruption or reduction must be made under circumstances which do not allow for advance notice, <del>Transmission Provider</del> <u>the ISO or Participating TO, as applicable,</u> shall notify Interconnection Customer by	<b>9.7.2.3</b>	Specifies who the Transmission Provider is in this context: the ISO or the Participating TO may require interruptions which do not allow for advance notice to maintain safe and reliable operation.

## LGIA Matrix of Changes

Change	Article	Reason for Change
telephone ...		
Telephone notification shall be followed by written notification, <u>if requested by the Interconnection Customer</u> , as soon as practicable;	<b>9.7.2.3</b>	Required written notice about the nature of curtailment, interruption or reduction is not current practice. To ease unnecessary administrative burdens upon operating personnel, such written notice will be provided only if requested.
Except during the existence of an Emergency Condition, <del>when the interruption or reduction can be scheduled without advance notice,</del>	<b>9.7.2.4</b>	Notification is required by the Participating TO or the ISO except in Emergency Conditions.
<del>Transmission Provider the ISO or Participating TO</del>  <del>Transmission Provider the ISO or Participating TO</del>  ...periods of least impact to the Interconnection Customer, <u>the ISO, and the Transmission Provider Participating TO;</u>	<b>9.7.2.4</b>	Specifies who the Transmission Provider is in this context: the ISO or the Participating TO shall notify and coordinate the scheduling of interruptions or reductions.
<del>...and the Participating TO's Transmission System, and the ISO Controlled Grid ...</del>	<b>9.7.2.5</b>	Specifies and distinguishes between the Participating TO's Transmission System and the entire ISO Controlled Grid.
<del>The Transmission System ISO Controlled Grid ...</del>  ...under-frequency and over-frequency relay <u>protection</u> set points ..  ...“ride through” capability of the <u>Transmission System</u> .  ...shall be studied and coordinated with the <del>Transmission Provider Participating TO and ISO ...</del>  ...synchronized with the <del>Transmission System ISO Controlled Grid ...</del>	<b>9.7.3 Under-Frequency and Over Frequency Conditions.</b>	Specifies what the Transmission System is in this context: the ISO Controlled Grid.  It is not uncommon for the plant computer to provide a lot of the off-nominal frequency protection instead of relays. The WECC requires that generators ride through certain frequency excursions without tripping off, either by protective relays or supplementary control systems.  This is not necessary because the Transmission System has already been specified as the ISO Controlled Grid.  Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.  Specifies what the Transmission System is in this context: the ISO Controlled Grid.
Interconnection Customer's  <del>Transmission Provider Participating TO</del>	<b>9.7.4.1 System Protection Facilities</b>	This change helps to clarify the possession or ownership of these specific Interconnection Facilities.  Specifies who the Transmission Provider is in this context: the Participating TO.
<del>Transmission Provider Participating TO's Interconnection Facilities or the Participating TO's Transmission</del>	<b>9.7.4.1 System Protection Facilities</b>	Specifies who the Transmission Provider is in this context, and who owns the Transmission System to which the Large

## LGIA Matrix of Changes

Change	Article	Reason for Change
System ...  Interconnection Customer's		Generating Facility is physically interconnected: the Participating TO.  This helps to clarify the possession or ownership of these specific Interconnection Facilities
<del>Each Party's</del> <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 Good Utility Practice.</u>	<b>9.7.4.2</b>	Specifies the parties who own the applicable protection facilities.  This clarifies that the Applicable Reliability Council criteria must be followed in addition to Good Utility Practice.
<del>Each Party</del> <u>The Participating TO and Interconnection Customer shall each be</u> responsible ...	<b>9.7.4.3</b>	Specifies the parties who own the applicable protection facilities.
<del>Each Party's</del> <u>The Participating TO's and Interconnection Customer's</u> ...	<b>9.7.4.4</b>	Specifies the parties who own the applicable protection facilities.
...the tripping of the Interconnection Customer's <u>Electric Generating</u> <del>u</del> Units.	<b>9.7.4.4</b>	Specifies what the units are using a defined term.
<del>Each Party</del> <u>The Participating TO and Interconnection Customer</u> will test, operate and maintain the System Protection Facilities in accordance with Good Utility Practice <u>and, if applicable, the requirements of the Participating TO's Interconnection Handbook.</u>	<b>9.7.4.5</b>	Specifies the parties who will test, operate and maintain the applicable protection facilities.  This emphasizes and reminds the Interconnection Customer to follow the technical requirements of the Participating TO's Interconnection Handbook, if applicable.
Prior to the <del>in-</del> <u>service</u> <del>D</del> date, and again prior to the Commercial Operating Date, <del>each Party</del> <u>the Participating TO and Interconnection Customer or its</u> <u>their agents</u> shall perform ...	<b>9.7.4.6</b>	This clarifies the term means the actual <i>in-service date</i> , not the defined term which means the date reasonably expected by the Interconnection Customer.  Specifies the parties who will test, operate and maintain the applicable protection facilities.
At intervals suggested by Good Utility Practice, <u>the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook,</u>	<b>9.7.4.6</b>	This emphasizes and reminds the Interconnection Customer to follow the technical requirements of the Participating TO's Interconnection Handbook, if applicable.
In compliance with Good Utility Practice <u>and, if applicable, the requirements of the Participating TO's Interconnection Handbook,</u>	<b>9.7.5 Requirements for Protection.</b>	This emphasizes and reminds the Interconnection Customer to follow the technical requirements of the Participating TO's Interconnection Handbook, if applicable.
<u>Participating TO's</u> Transmission System not otherwise isolated by <u>Transmission Provider's Participating TO's</u> equipment, such that the removal of the fault contribution shall be coordinated	<b>9.7.5 Requirements for Protection.</b>	Specifies who is the Transmission Provider, and who has responsibility for the protective requirements of the Transmission System in this context: the Participating TO.

## LGIA Matrix of Changes

Change	Article	Reason for Change
with the protective requirements of the <u>Participating TO's Transmission System</u> .		
Such protective equipment shall include, without limitation, a disconnecting device <del>or switch</del> with <del>lead fault current</del> -interrupting capability located between the Large Generating Facility and the <u>Participating TO's Transmission System</u> ...	<b>9.7.5 Requirements for Protection.</b>	This change provides greater specificity on the type of disconnecting device.  Specifies who has responsibility for the protective requirements of the Transmission System in this context: the Participating TO.
...if conditions on the <del>Transmission System</del> <u>ISO Controlled Grid</u> could adversely affect the Large Generating Facility.	<b>9.7.5 Requirements for Protection.</b>	Specifies what is the Transmission System in this context: the ISO Controlled Grid.
Neither <del>Party's</del> <u>the Participating TO's</u> nor the <u>Interconnection Customer's</u> facilities ...	<b>9.7.6 Power Quality.</b>	Specifies the parties who will test, operate and maintain the applicable protection facilities.
... <del>or any applicable superseding electric industry standard, or any alternative</del> <u>Applicable Reliability Council standard</u> .	<b>9.7.6 Power Quality.</b>	This narrows and better specifies which industry group governs this technical standard.
In the event of a conflict between ANSI Standard C84.1-1989, <del>or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or any</del> <u>alternative Applicable Reliability Council standard</u> , the <del>alternative a</del> <u>Applicable superseding electric industry Reliability Council standard</u> ; shall control.	<b>9.7.6 Power Quality.</b>	Industry standards are by design intended to be generic enough to apply across the diversity of electric systems in the national grid. By contrast, any Applicable Reliability Council standards are typically based on industry standards but tailored to the technical requirements of the region. This enables the Applicable Reliability Council standards to provide a superior criterion for the region.
Each Party shall provide the other <del>Parties</del> a copy of its switching and tagging rules that are applicable to the other <del>Parties'y's</del> activities.	<b>9.8 Switch and Tagging Rules.</b>	These changes reflect a three-Party LGIA.
<u>Participating TO's Transmission System</u>	<b>9.9.1 Purpose of Interconnection Facilities.</b>	Specifies the Transmission System to which the Interconnection Facilities are constructed and physically interconnected: the Participating TO.
<del>Transmission Provider's Participating TO's Interconnection Facilities ...</del> <del>Transmission Provider Participating TO ...</del> <del>Transmission Provider Participating TO</del>	<b>9.9.2 Third Party Users.</b>	Specifies who is the Transmission Provider in this context: the Participating TO.  Specifies who is the Transmission Provider in this context: the Participating TO.  Specifies who is the Transmission Provider in this context: the Participating TO.
<del>Transmission Provider's Transmission System</del> <u>ISO Controlled Grid</u>	<b>9.10 Disturbance Analysis Data Exchange</b>	Specifies the Transmission System in this context: the entire ISO Controlled Grid.
<del>Transmission Provider Participating TO</del>	<b>10.1</b>	Specifies who the Transmission Provider



## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
shall maintain the <u>Participating TO's Transmission System</u> and the <u>Transmission Provider's Participating TO's Interconnection Facilities</u> in a safe and reliable manner and in accordance with this LGIA.	<b>Transmission Provider Participating TO Obligations</b>	is in this context, and whose Transmission System includes these applicable Interconnection Facilities: the Participating TO.
Interconnection Customer's Interconnection Facilities	<b>10.2 Interconnection Customer Obligations.</b>	This helps to clarify the possession or ownership of these specific Interconnection Facilities.
<del>Each Party</del> <u>The Participating TO and Interconnection Customer</u> shall cooperate with the other <u>Parties</u> ...  ...the other <u>Parties</u> . the other <u>Parties</u> ...	<b>10.4 Secondary Systems.</b>	Specifies the parties who own the applicable facilities.  These changes reflect the multiple parties who may be impacted.
Interconnection Customer's Interconnection Facilities;  <del>Transmission Provider's Participating TO's Interconnection Facilities</del>	<b>10.5 Operating and Maintenance Expenses.</b>	This helps to clarify the possession or ownership of these specific Interconnection Facilities.  Specifies who the Transmission Provider is in this context: the Participating TO.
Interconnection Customer's Interconnection Facilities	<b>11.1</b>	Editorial Improvement
<del>..... Interconnection Facilities, Network Upgrades and Distribution Upgrades ...</del>	<b>11.1, 11.2, 11.3</b>	Editorial change provides clarification that the Interconnection Facilities are described in Appendix A.
<del>Transmission Provider or Transmission Owner Participating TO</del> shall design, procure, construct, install, own and/or control the	<b>11.2</b>	Clarifies role of the Participating TO in this context.
<del>Transmission Provider's Participating TO's Interconnection Facilities.</del>	<b>11.2</b>	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider or Transmission Owner Participating TO</del>	<b>11.3 Network Upgrades and Distribution Upgrades</b>	Specifies who the Transmission Provider is in this context.
<b>[ALTERNATIVE APPROACHES TO THE WORDING FOR THIS PROVISION ARE SET FORTH IN THE FILING LETTER FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]</b>	<b>11.4 Transmission Credits</b>	Refer to Filing Letter.
<u>Upon the Commercial Operation Date</u> , <del>the</del> Interconnection Customer shall be entitled to a cash refund, equal to the total amount paid to <del>Transmission Provider</del> <u>the Participating TO and Affected System Operator</u> , if any, for the <u>cost of Network Upgrades</u> , <u>other than the amount by which the cost of</u>	<b>11.4.1 Refunds of Amounts Advance for Network Upgrades</b>	Consistent with the FERC Order 2003, specifies that Interconnection Customer is not entitled to receive refunds until the Commercial Operation Date. Explains that the ISO will use an economic assessment methodology to assess net benefits.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>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.</del></p>		
<p><del>Such amount shall include <u>ing</u> any related tax gross-up or other tax-related payments <del>and</del> not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, <del>to</del> <u>and shall</u> be paid to Interconnection Customer <u>by the Participating TO</u> on a dollar-for-dollar basis <u>either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date;</u></del></p>	<p><b>11.4.1 Refunds of Amounts Advance for Network Upgrades</b></p>	<p>Specifies the means for compensating the Interconnection Customer who funds Network Upgrades within the five-year period, consistent with FERC Order 2003.</p>
<p><del>or (2)for the non usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility .</del></p> <p><del>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 refund all amounts to the Interconnection Customer and Participating TO, provided that such amount is paid by Interconnection Customer for the Network Upgrades, together with interest, within five (5) years from the Commercial Operation Date.</del></p>	<p><b>11.4.1 Refunds of Amounts Advance for Network Upgrades</b></p>	<p>Specifies that alternative payment schedules for compensating the Interconnection Customer can be arranged if mutually agreeable, but refunds must be paid within the five-year period, consistent with FERC Order 2003.</p>
<p><del>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. Transmission Provider and Affected System Operator shall provide refunds to Interconnection Customer only after commercial operation of the Large Generating Facility has been demonstrated</del></p> <p><del>If the Large Generating Facility fails to achieve commercial operation, but it or</del></p>	<p><b>11.4.1 Refunds of Amounts Advance for Network Upgrades</b></p>	<p>Specifies 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.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>another Generating Facility is later constructed and makes use of the Network Upgrades. Transmission Provider and Affected System Operator shall at that time provide refunds to Interconnection Customer for the amounts advanced for the Network Upgrades.</del></p>		
<p>Any refund 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) from the date of any payment for Network Upgrades through the date on any payment for Network Upgrades through the date on which the Interconnection Customer receives a refund of such payment pursuant to this subparagraph. Interconnection Customer may assign such refund rights to any person.</p>	<p><b>11.4.1 Refunds of Amounts Advance for Network Upgrades</b></p>	<p>Consistent with FERC Order 2003, refunds include interest. Reference to "this subparagraph" is deleted because that language is rearranged.</p>
<p><del>Unless the Transmission Provider provides, under the LGIA, for the payment of refunds for amounts advanced to Affected System Operator for Network Upgrades, the Interconnection Customer and shall enter into an agreement with the owner of the Affected System Operator shall enter into an agreement that provides for such payment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the Affected System Operator as well as the payment of refunds by the Affected System Operator and/or other affected owners of portions of the ISO Controlled Grid, as applicable, in accordance with the LGIP.</del></p>	<p><b>11.4.2 Special Provisions for Affected Systems</b></p>	<p>Clarifies that the LGIA does not encompass facilities that may need to be built – or the refunds associated therewith – on an Affected System (or affected owners of portions of the ISO Controlled Grid), and that the Interconnection Customer must enter into a separate agreement with such other party to deal with such other facilities.</p>
<p><u>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 payment of refunds 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 payment of refunds for any facilities that are not part of the</u></p>	<p><b>11.4.2 Special Provisions for Affected Systems</b></p>	<p>Specifies the separate agreement that may be necessary for Network Upgrades on Affected Systems, or other Participating TOs, as well as the means for compensating the Interconnection Customer who funds Network Upgrades which are not part of the Participating TO's Transmission System.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>Participating TO's Transmission System.</u>		
<del>Refunds are to be paid without regard to whether the Interconnection Customer contracts for transmission service on the Affected System. If the Interconnection Customer does not contract for transmission service, and in the absence of another mutually agreeable payment schedule, refunds shall be established at a level equal to the Affected System's rate for firm point-to-point transmission service multiplied by the output of the Large Generating Facility assumed in the Interconnection Facilities Study. All refunds must be paid within five years of the Commercial Operation Date.</del>	<b>11.4.2 Special Provisions for Affected Systems</b>	This language is unnecessary because the separate agreements between the Interconnection Customer 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.
<del>Transmission Provider's <u>Participating TO's</u> (throughout)</del>	<b>11.5 Provision of Security</b>	Specifies who is the Transmission Provider in this context.
<del>Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of <u>Transmission Provider's 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.</u></del>	<b>11.5 Provision of Security</b>	Incorporates the Participating TO's current practice to obtain security for future costs in the event the Interconnection Customer is in default.
<del><u>Such security</u> and shall be reduced on a dollar-for-dollar basis, <u>excluding security related to operation and maintenance expenses and removal costs,</u> for payments made to <u>Transmission Provider's Participating TO</u> under this LGIA during its term.</del>	<b>11.5 Provision of Security</b>	Incorporates the Participating TO's current practice to obtain security for future costs in the event the Interconnection Customer is in default.
<del>Transmission Provider's <u>Participating TO</u></del>	<b>11.5.1</b>	Specifies who is the Transmission Provider in this context.
<del>Transmission Provider's <u>Participating TO</u></del>	<b>11.5.2</b>	Specifies who is the Transmission Provider in this context.
<del>Transmission Provider's <u>Participating TO</u></del>	<b>11.5.3</b>	Specifies who is the Transmission Provider in this context.
<del>If <u>Transmission Provider</u> the ISO requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, <u>Transmission Provider</u> the ISO shall compensate Interconnection Customer</del>	<b>11.6 Interconnection Customer Compensation</b>	Specifies who the Transmission Provider is in this context. Specifies that compensation for reactive power or outage will be in accordance with the ISO Tariff. Deleted language is not relevant since the ISO Tariff applies.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>in accordance with <u>the ISO Tariff</u>. <del>Interconnection Customer's applicable 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, the Transmission Provider agrees to compensate the Interconnection Customer in such amount as would have been due the 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.</del></p>		
<p><del>Transmission Provider or RTO or The ISO</del></p>	<p><b>11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition</b></p>	<p>Specifies the ISO is the proper entity to provide compensation to the Interconnection Customer.</p>
<p><del>...shall compensate Interconnection Customer in accordance with the ISO Tariff.....</del></p>	<p><b>11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition</b></p>	<p>Provides clarification that the ISO Tariff governs compensation for actions during an emergency.</p>
<p><del>Transmission System ISO Controlled Grid</del></p>	<p><b>11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition</b></p>	<p>This clarifies that the Transmission System in this context is the ISO Controlled Grid as a whole.</p>
<p><del>Each Party The Participating TO</del></p>	<p><b>12.1 General</b></p>	<p>Specifies the party in this context is the Participating TO.</p>
<p><del>...other Party Interconnection Customer</del></p>	<p><b>12.1 General</b></p>	<p>Specifies the party in this context is the Interconnection Customer.</p>
<p><del>...invoices of amounts due pursuant to</del></p>	<p><b>12.1</b></p>	<p>Provides clarification.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>this LGIA.</u>	<b>General</b>	
<u>Notwithstanding the foregoing, any invoices between the ISO and another Party shall be submitted and paid in accordance with the ISO Tariff.</u>	<b>12.1 General</b>	Provides clarification that the ISO Tariff governs when there are invoices between the ISO and another Party.
<u>As soon as reasonably practicable, but <del>W</del>within six <del>twelve</del> months after completion.....</u>	<b>12.2 Final Invoice</b>	Experience in California has proven that 12 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.
<u>Transmission Provider- Participating TO</u>	<b>12.2 Final Invoice</b>	Specifies that the Participating TO is the Transmission Provider in this context.
<u>..... after completion of the construction of the <del>Transmission Provider's</del> Participating TO's Interconnection Facilities, and the Network Upgrades, and Distribution Upgrades, <del>Transmission Provider-Participating TO</del> shall provide an invoice of the final cost of the construction of the <del>Transmission Provider's</del> Participating TO's Interconnection Facilities and the Network Upgrades, and Distribution Upgrades, and shall.....</u>	<b>12.2 Final Invoice</b>	Adds Distribution Upgrades.
<u>...or, in the event the actual costs of construction exceed the <del>Interconnection Customer's actual payment for estimated costs, then the</del> Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by <del>Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.</del></u>	<b>12.2 Final Invoice</b>	Language contemplates a payment obligation when an Interconnection Customer's actual payments are less than the costs of construction.
<u>Paying Party <del>Interconnection Customer</del></u>	<b>12.3 Payment</b>	Defines that the Paying Party in this context is the Interconnection Customer.
<u>The <del>Party</del> <del>Interconnection Customer</del> receiving the invoice shall pay, or <del>Participating TO</del> shall refund, the amounts due <del>invoice</del> within thirty (30) Calendar Days of <del>Interconnection Customer's receipt of the invoice</del>. All payments shall be made in immediately available funds payable to the <del>other Party-Interconnection Customer or Participating TO</del>, or by wire transfer to a bank named and account designated by the invoicing <del>Party Interconnection customer or Participating TO</del>.</u>	<b>12.3 Payment</b>	Provides clarification about who the Party is in the proper context of a three party agreement for the payment process.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Transmission Provider and Interconnection Customer and the Participating TO, Transmission Provider the Participating TO and the ISO shall continue...</del>	<b>12.4 Disputes</b>	Specifies who is the Transmission Provider in this context
... interest calculated in accordance with the methodology set forth in ...	<b>12.4 Disputes</b>	Provides clarification.
<del>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.</del>	<b>12.4 Disputes</b>	Provides clarification.
<del>“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, the 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 the Interconnection Customer 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.</del>	<b>13.1 Definition [Reserved]</b>	This section is deleted in order to maintain the consistent meaning of the defined term “Emergency Condition” throughout this LGIA.
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.	<b>13.2 Obligations</b>	RTO is deleted because this LGIA applies only within the ISO Controlled Grid.  The provisions for a Joint Operating Committee are deleted throughout this LGIA.
<del>Transmission Provider The Participating TO or the ISO shall notify Interconnection Customer promptly</del>	<b>13.3 Notice</b>	Specifies who the Transmission Provider is in this context: the Participating TO or the ISO shall notify when it becomes

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>when it becomes aware of an Emergency Condition that affects the <del>Transmission Provider's Participating TO's Interconnection Facilities or Distribution System</del> or the <del>Transmission System ISO Controlled Grid</del>, respectively, ...</p>		<p>aware of an Emergency Condition.</p> <p>Specifies who the Transmission Provider is in this context: the Participating TO, which owns the Interconnection Facilities and Distribution System.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p>
<p>Interconnection Customer shall notify <del>Transmission Provider</del> <u>the Participating TO and the ISO</u> 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 <del>Transmission System ISO Controlled Grid</del> or the <del>Transmission Provider's Participating TO's</del> Interconnection Facilities.</p>	<p><b>13.3 Notice</b></p>	<p>Specifies who the Transmission Provider is in this context: the Participating TO or the ISO shall be notified in the event of an Emergency Condition.</p> <p>This helps to clarify the possession or ownership of these specific Interconnection Facilities.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p> <p>Specifies who the Transmission Provider is in this context: the Participating TO, which owns the Interconnection Facilities</p>
<p><del>Transmission Provider's Participating TO's</del> facilities ...</p>	<p><b>13.3 Notice</b></p>	<p>Specifies who the Transmission Provider is in this context: the Participating TO, which owns the Interconnection Facilities.</p>
<p>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><b>13.3 Notice</b></p>	<p>Required written notice about the nature of Emergency Conditions is not current practice, although the ISO does post such information on its public website. To ease unnecessary administrative burdens upon operating personnel, such written notice will be provided only if requested, and emails or faxes specifically will constitute written notice.</p>
<p><del>Transmission Provider</del> <u>the ISO and the Participating TO</u> ...</p>	<p><b>13.4 Immediate Action</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
<p>Interconnection Customer's Interconnection Facilities</p>	<p><b>13.4 Immediate Action</b></p>	<p>This helps to clarify the possession or ownership of these specific Interconnection Facilities</p>
<p>...Emergency Condition <del>either declared by the Transmission Provider Participating TO or ISO</del> or <u>in response to any otherwise regarding emergency condition the Transmission System.</u></p>	<p><b>13.4 Immediate Action</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO or the Participating TO may declare an emergency condition.</p>
	<p><b>13.5 Transmission Provider ISO and Participating TO Authority</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
<p><del>Transmission Provider</del> The ISO and</p>	<p><b>13.5.1</b></p>	<p>Specifies who the Transmission Provider</p>



## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><del>Participating TO</del> may take whatever actions or inactions, <u>including issuance of dispatch instructions</u>, with regard to the <del>Transmission System ISO Controlled Grid</del> or the <del>Transmission Provider's Participating TO's Interconnection Facilities or Distribution System</del> <u>it they</u> deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the <del>Transmission System ISO Controlled Grid</del> or the <del>Transmission Provider's Participating TO's Interconnection Facilities or Distribution System</del>, and (iii) limit or prevent damage, and (iv) expedite restoration of service.</p>	<p><b>General</b></p>	<p>is in this context: the ISO and the Participating TO.</p> <p>Reiterates that dispatch instructions must be followed during emergency conditions.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p> <p>Specifies who the Transmission Provider is in this context: the Participating TO, which owns these Interconnection Facilities and the Distribution System.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p> <p>Specifies who the Transmission Provider is in this context: the Participating TO, which owns these Interconnection Facilities and the Distribution System.</p>
<p><del>Transmission Provider</del> <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 the Interconnection Customer's Interconnection Facilities.</p>	<p><b>13.5.1 General</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p> <p>This helps to clarify the possession or ownership of these specific Interconnection Facilities.</p>
<p><del>Transmission Provider</del> <u>The Participating TO or the ISO</u> may, on the basis of technical considerations ....</p> <p>...black_start ...</p> <p>...<u>Interconnection Customer's</u> Interconnection Facilities ...</p> <p><del>Transmission Provider's</del> <u>the ISO's and Participating TO's</u> operating instructions ...</p>	<p><b>13.5.1 General</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p> <p>This space is inserted to separate the two words, "Black" and "start."</p> <p>This change helps to clarify the possession or ownership of these specific Interconnection Facilities.</p> <p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
<p><del>Transmission Provider</del> <u>The Participating TO or the ISO</u></p> <p>...<u>Interconnection Customer's</u> Interconnection Facilities ...</p> <p>...;when such; ...</p>	<p><b>13.5.2 Reduction and Disconnection</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p> <p>This helps to clarify the possession or ownership of these specific Interconnection Facilities.</p> <p>The commas in this phrase are not needed.</p>
<p>These rights are separate and distinct</p>	<p><b>13.5.2</b></p>	<p>Specifies who the Transmission Provider</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>from any right of curtailment of the <del>Transmission Provider</del> <u>ISO</u> pursuant to the <del>Transmission Provider's</del> <u>ISO</u> Tariff.</p>	<p><b>Reduction and Disconnection</b></p>	<p>is in this context: the ISO.</p>
<p><del>Transmission Provider</del> <u>ISO or the Participating TO</u></p> <p><del>Transmission Provider</del> <u>the ISO or the Participating TO</u></p> <p><del>Transmission Provider</del> <u>The ISO or Participating TO</u></p> <p><del>Transmission Provider</del> <u>ISO and Participating TO</u></p> <p><del>Transmission System</del> <u>ISO Controlled Grid</u></p>	<p><b>13.5.2 Reduction and Disconnection</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO or the Participating TO.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p>
<p>Consistent with Good Utility Practice, and the <u>this</u> LGIA, and the LGIP <u>ISO</u> Tariff, ...</p> <p>...Interconnection Customer's Interconnection Facilities ...</p>	<p><b>13.6 Interconnection Customer Authority</b></p>	<p>Clarifies this phrase relates to this LGIA, and that the LGIP is incorporated into the ISO Tariff.</p> <p>This helps to clarify the possession or ownership of these specific Interconnection Facilities.</p>
<p>Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the <del>Transmission System</del> <u>ISO Controlled Grid</u> and the <del>Transmission Provider's</del> <u>Participating TO's</u> Interconnection Facilities.</p>	<p><b>13.6 Interconnection Customer Authority</b></p>	<p>Specifies what is the Transmission System in this context: the ISO Controlled Grid.</p> <p>Specifies who is the Transmission Provider in this context: the Participating TO.</p>
<p><del>Transmission Provider</del> <u>The ISO and Participating TO</u> shall use Reasonable Efforts ...</p> <p><del>Transmission Provider's</del> <u>The ISO's or Participating TO's</u> instructions ...</p> <p>Upon request, Interconnection Customer shall provide <del>Transmission Provider</del> <u>the ISO and Participating TO</u> ...</p>	<p><b>13.6 Interconnection Customer Authority</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p> <p>Specifies who the Transmission Provider is in this context: the ISO or the Participating TO.</p> <p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
<p>Except as otherwise provided in Article 11.6.1 of this LGIA, <del>neither</del> <u>no</u> Party shall be liable to the <u>any</u> other <u>Party</u> ...</p>	<p><b>13.7 Limited Liability</b></p>	<p>These changes reflect a three-Party LGIA.</p>
<p>Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by <del>either</del> <u>a</u> Party to <del>the</del> <u>another</u> and any instrument required or permitted to be tendered or delivered by <del>either</del> <u>a</u> Party</p>	<p><b>15.1</b></p>	<p>Conforming changes to reflect that this is a three party agreement.</p>

## LGIA Matrix of Changes

Change	Article	Reason for Change
in writing to the <del>another</del> shall be		
A Party must update the information in Appendix F as information changes.	15.1	Adds a requirement to update notice information as it changes.
Either <del>A</del>	15.1	Conforming changes to reflect that this is a three party agreement.
Such changes shall not constitute an amendment to this LGIA.	15.1	Clarifies that a change to notice information will not constitute an amendment that would trigger a filing requirement.
Agreement <del>LGIA</del>	15.3	Conforming change to reflect defined term of LGIA.
Parties <del>y</del>	15.4	Conforming changes to reflect that this is a three party agreement.
Neither <del>No</del>	16.1.2 <b>Force Majeure</b>	Conforming changes to reflect that this is a three party agreement.
the <del>affected</del> non-defaulting Party(ies)	17.1.1 <b>Default</b>	Clarifies that only an affected non-defaulting party may assert rights under this provision.
the <del>affected</del> non-defaulting Party(ies)	17.1.2	Clarifies that only an affected non-defaulting party may assert rights under this provision.
not that <del>such</del> Party(ies) terminates this LGIA	17.1.2	Conforming change to reflect that more than one party may terminate the LGIA based on another parties default.
The <del>Each</del> Party (ies) shall at all times indemnify, defend, and save the other Parties <del>y</del>	18.1 <b>Indemnity</b>	Conforming changes to reflect that this is a three party agreement.
any and all <del>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,</del>	18.1	Used the defined term "Loss," which encompasses the deleted language, for clarity and consistency.
the <del>another</del> Party's	18.1	Provides clarity in a multi-party context.
<del>Indemnified Person</del> Party (throughout)	18.1.1-18.1.3	Clarifies that indemnification obligations only apply to the other parties to the LGIA; also uses the defined term "Party" in place of non-defined term "Person."
<del>Indemnified; Indemnifying</del> (throughout)	18.1.1	Lower cases indemnified and indemnifying because neither are defined terms.
... which shall not be <del>unreasonably</del> withheld, conditioned or delayed.	18.1.3	Corrects typographical error.
Other than the <del>Liquidated Damages</del> heretofore described in Article 5.3, in no event shall either <del>any</del> Party	18.2 <b>Consequential Damages</b>	Remove capitals from liquidated damages since it is not a defined term; clarify by inserting the section number where liquidated damages are described; and

## LGIA Matrix of Changes

Change	Article	Reason for Change
		conforming change to reflect three party agreement.
<del>the another</del> Party	<b>18.2 Consequential Damages</b>	Provides clarification in a multi-party context.
Each pParty shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Partiesy, the following minimum insurance coverages, 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, <u>except in the case of the ISO, the State of California:</u>	<b>18.3 Insurance</b>	This change reflects a concern in California that an entity may use subpar insurers, because of some insurers' reluctance to insure entities in the energy industry. This change would require that all entities would be required to use creditworthy insurers.  The ISO's business operations are limited within the state of California and therefore the ISO should not be subject to any other state's insurance laws and regulations.
<u>Employers's Liability ...</u>	<b>18.3.1</b>	Typographical
<u>except in the case of the ISO, the State of California</u>	<b>18.3.1</b>	The ISO's business operations are limited within the state of California and therefore the ISO should not be subject to any other state's worker's compensation insurance laws and regulations.
<u>Comprehensive Business Automobile ...</u>	<b>18.3.3</b>	In the insurance industry in California the term "Business" is a more current term used in the type of insurance policies described in this agreement.
<u>Employers's Liability ...</u>	<b>18.3.4</b>	Typographical
<u>Comprehensive Business Automobile ...</u>	<b>18.3.4</b>	In the insurance industry in California the term "Business" is a more current term used in the type of insurance policies described in this agreement.
<u>Comprehensive Business Automobile ...</u>	<b>18.3.5</b>	In the insurance industry in California the term "Business" is a more current term used in the type of insurance policies described in this agreement.
<u>Partiesy, its their parents ...</u>	<b>18.3.5</b>	These changes reflect a three-Party LGIA.
<u>...and provide thirty (30) Calendar dDays ...</u>	<b>18.3.5</b>	Clarifies that the days are Calendar Days.
<u>Comprehensive Business Automobile ...</u>	<b>18.3.6</b>	In the insurance industry in California the term "Business" is a more current term used in the type of insurance policies described in this agreement.
<u>...as though a separate policy has been issued s</u>	<b>18.3.6</b>	Typographical
<u>Comprehensive Business Automobile ...</u>	<b>18.3.7</b>	In the insurance industry in California the term "Business" is a more current term used in the type of insurance policies described in this agreement.
<u>Within ten (10) Calendar dDays ... within ninety (90) Calendar dDays</u>	<b>18.3.9</b>	Clarifies that the days are Calendar Days.
<u>Notwithstanding the foregoing, each Party may self-insure to the extent it</u>	<b>18.3.10</b>	Clarifies that investment grade as rated by Standard & Poors is BBB-. Clarifies

## LGIA Matrix of Changes

Change	Article	Reason for Change
maintains a self-insurance program; provided that, such Party's senior <u>unsecured debt or issuer rating is rated at investment grade BBB-</u> , or better, <u>as rated</u> by Standard & Poors. For any period of time that a Party's senior <u>unsecured debt rating and issuer rating are both</u> is unrated by Standard & Poor's or is <u>are both</u> rated at less than <u>investment grade BBB-</u> by Standard and Poor's, such Party shall comply with the insurance requirements applicable ...		language to be consistent with practices in California. Changes "secured" debt to "unsecured" debt, because the rating of an entity's unsecured debt is the relevant factor for the purposes of this provision. <b>Note:</b> PG&E does not currently meet the creditworthiness requirements for self-insurance, but anticipates that it will achieve creditworthy status in the near future, possibly before the effective date of a Commission order approving the LGIA. However, should PG&E find it necessary to execute an agreement, based on the filed LGIA, with a particular generator prior to the time PG&E has achieved creditworthy status, then PG&E would require a waiver of the creditworthiness requirement set forth in Article 18.3.10 of the LGIA, in order to be self-insured.
<u>either a</u>	<b>19</b> <b>Assignment</b>	Conforming changes to reflect that this is a three party agreement.
<u>Parties</u> ; provided that <u>either a</u>	<b>19</b>	Conforming changes to reflect that this is a three party agreement.
<u>Parties y</u>	<b>19</b>	Conforming changes to reflect that this is a three party agreement.
<u>Transmission Provider ISO or Participating TO</u>	<b>19</b>	Specifies who the Transmission Provider is in this context.
<u>Transmission Provider ISO and Participating TO</u>	<b>19</b>	Specifies who the Transmission Provider is in this context.
<u>Transmission Provider Participating TO or ISO</u>	<b>20</b> <b>Severability</b>	Specifies who the Transmission Provider is in this context.
then none of <del>these</del> <u>the</u> provisions of <u>Article 5.1.2 or 5.1.4</u> shall thereafter have any force or effect	<b>20</b>	Clarifies the meaning of the provision by citing to the Article numbers to which the language refers.
<u>either any</u> (throughout)	<b>22.1</b> <b>Confidentiality</b>	Conforming changes to reflect that this is a three party agreement.
other <u>Parties</u>	<b>22.1</b>	Conforming changes to reflect that this is a three party agreement.
<u>Parties y</u> -(throughout)	<b>22.1</b>	Conforming changes to reflect that this is a three party agreement.
Article 22.1.7 of <del>the</del> <u>this</u> LGIA	<b>22.1.2</b>	Clarifies that clause is referring to this particular LGIA, rather than the <i>pro forma</i> .
<u>Neither No</u>	<b>22.1.3</b>	Conforming changes to reflect that this is a three party agreement.
<u>either a</u>	<b>22.1.4</b>	Conforming changes to reflect that this is a three party agreement.
<u>The mere fact that a Party has provided</u> <del>ing Confidential Information, neither Party makes any</del> <u>does not constitute a</u>	<b>22.1.5</b>	Clarifies this statement without changing the substance. Clarifies that if information is provided with a warranty or

## LGIA Matrix of Changes

Change	Article	Reason for Change
warrantyies or representations		representation, the fact that it is Confidential Information does not negate that warranty or representation.
<del>neither no</del>	22.1.5	Conforming changes to reflect that this is a three party agreement.
<del>the another</del>	22.1.8-22.1.9	Conforming changes to reflect that this is a three party agreement.
<del>the Commission FERC</del>	22.1.10	Uses defined term FERC for clarity.
<del>any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA (“Confidential Information”)</del>	22.1.11	Uses the already defined term “Confidential Information” rather than defining again in a different manner.
<del>the another</del>	22.1.11	Conforming changes to reflect that this is a three party agreement.
<del>Parties y</del>	<b>23 Environmental Releases</b>	Conforming changes to reflect that this is a three party agreement.
<del>Transmission Provider Participating TO</del>	24.1	Specifies who the Transmission Provider is in this context.
<b>Transmission Provider Participating TO</b>	24.2	Specifies who the Transmission Provider is in this context.
<del>the Participating TO’s Transmission System</del>	24.2	Added so that language corresponds to the defined term
<del>On a monthly basis Transmission Provider Participating TO shall provide Interconnection Customer and the ISO a status report on the construction and installation of Transmission Provider Participating TO’s Interconnection Facilities</del>	24.2	Specifies who the Transmission Provider is in this context, and requires the Participating TO to provide status report to both the Interconnection Customer and the ISO.
<del>Large Electric Generating Facility Unit (throughout)</del>	24.3	Uses defined term, and clarifies that this provision applies to each Electric Generating Unit, not only to the facility as a whole.
<del>Transmission Provider the Participating TO and the ISO for the Interconnection Feasibility and Facilities Studies</del>	24.3	Specifies who the Transmission Provider is in this context, and clarifies that this provision applies to any supplemental information provided to the information that was provided for any of the Interconnection Studies.
<del>shall be compatible with Transmission Provider Participating TO and ISO standard models.</del>	24.3	Specifies who the Transmission Provider is in this context, and clarifies that information submitted shall be compatible with both Participating TO and ISO standard models.
<del>Transmission Provider the Participating TO and the ISO pursuant to for the Interconnection Studies Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider the Participating TO and the ISO will conduct appropriate studies pursuant to the LGIP to</del>	24.3	Specifies that the Transmission Provider is both the ISO and the Participating TO in this context, and clarifies provision by using defined term Interconnection Studies. Specifies that any studies conducted by the ISO or Participating TO based on new information will be pursuant to the LGIP,

## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
determine the impact on the <del>Transmission Provider Participating TO's Transmission System and affected portions of the ISO Controlled Grid</del>		and that such studies will be to determine the impact of the new information on both the Participating TO's Transmission System and all affected portions of the ISO Controlled Grid.
The Interconnection Customer shall not begin Trial Operation until such studies are completed <u>and all other requirements of this LGIA are satisfied.</u>	24.3	Ensures that the Interconnection Customer will comply with all provisions of the LGIA prior to Trial Operation, and that the completion of the studies is not the only prerequisite.
Prior to the <del>Trial</del> Operation <del>D</del> ate	24.4	Uses the defined term "Trial Operation" for clarity and consistency.
Large <del>Electric</del> Generating Facility-Unit (throughout)	24.4	Clarifies that this provision applies to each Electric Generating Unit, not only to the facility as a whole.
<del>Transmission Provider Participating TO and the ISO</del> for each individual <del>Electric</del> <del>g</del> Generating <del>u</del> Unit in a station	24.4	Specifies who the Transmission Provider is in this context, and clarifies that this provision applies to each Electric Generating Unit, not only to the facility as a whole.
Subsequent to the <del>Commercial</del> Operation Date	24.4	Uses defined term for consistency and clarity.
<del>Transmission Provider the Participating TO and the ISO</del> any information changes	24.4	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO</del>	24.4	Specifies who the Transmission Provider is in this context.
<del>Transmission Provider Participating TO-owned</del> substation that may affect the	24.4	Specifies who the Transmission Provider is in this context.
Interconnection Customer's Interconnection Facilities	24.4	Uses defined term for clarity and consistency.
The Parties shall provide such information pursuant to Article 5.19 <del>no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.</del>	24.4	Substitutes a reference to the standards for modifications already established in Article 5.19 rather than specifying a potentially conflicting standard for information provision in this provision.
Nothing in this Article 25 shall <u>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>	25.1	Eliminates a potential inconsistency between the LGIA and the ISO Tariff with respect to the ISO's obligations for the treatment of confidential information.
<del>Parties y</del>	25.2	Conforming changes to reflect that this is a three party agreement.
<u>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</u>	25.3	This provision was moved from the middle of the following paragraph to clarify that it applies to all three parties, while 25.3.1 applies only when auditing the Interconnection Customer and Participating TO, and a new 25.3.2 has

## LGIA Matrix of Changes

Change	Article	Reason for Change
<u>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.</u>		been added to address the rights and obligations of parties auditing the ISO. Also changed references from Transmission Provider to ISO and/or Participating TO, where appropriate.
<del>Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party</del> <u>The Interconnection Customer and the Participating TO shall each</u>	25.3.1	This clarifies that this section only applies to the Participating TO and Interconnection Customer's rights to audit each other in the manner described in this section.
either <u>such</u> Party's	25.3.1	Conforming changes to reflect that this is a three party agreement.
either <u>such</u> Party's satisfaction of obligations owed to the other Party	25.3.1	Conforming changes to reflect that this is a three party agreement.
<del>Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, the Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, the Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition.</del>	25.3.1	Moved this section, with some minor changes, to Section 25.3.
<u>Subject to Article 25.3.2, Aa</u>	25.3.1	Clarifies that Article 25.3.1 will be subject to the following article, which clarifies the rights of the parties when auditing the ISO.
each <u>such</u> Party	25.3.1	Conforming changes to reflect that this is a three party agreement.
<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>	25.3.2	Regional variation change. Audits of the ISO should be in conformance with the ISO Tariff, so all market participants have the same rights with respect to audits.
<del>Transmission Provider</del> <u>Participating TO</u>	25.4.1	Specifies who the Transmission Provider is in this context.
<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</u>	25.4.1	Provides for Participating TO and ISO audit rights in the event the Interconnection Customer constructs facilities that will be operated by the Participating TO or ISO.



## LGIA Matrix of Changes

<b>Change</b>	<b>Article</b>	<b>Reason for Change</b>
<u>the Interconnection Customer's issuance of a final invoice in accordance with Article 5.2(8).</u>		
<u>either a</u>	<b>25.4.2</b>	Conforming changes to reflect that this is a three party agreement.
<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>	<b>25.4.2</b>	Regional variation change. Audits of the ISO should be in conformance with the ISO Tariff, so all market participants have the same rights with respect to audits.
<u>a Party the Interconnection Customer or the Participating TO determines that an overpayment or an underpayment has occurred with respect to the other Party</u>	<b>25.5</b>	Clarifies who the appropriate parties are with respect to this provision.
<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>	<b>25.5</b>	Clarifies how payments will be made in the event that an audit determines that a payment is owed.
<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>	<b>25.5.1</b>	Regional variation change. Audits of the ISO should be in conformance with the ISO Tariff, so all market participants have the same rights with respect to audits and overpayments or underpayments.
<u>Transmission Provider-ISO or Participating TO</u>	<b>26.2</b>	Specifies who the Transmission Provider is in this context.
<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>	<b>27 Disputes</b>	Regional variation change. The ISO has a well-developed dispute resolution procedure, and any disputes with the ISO as an initial party should be resolved through such dispute resolution process. Disputes solely between the Interconnection Customer and the Participating TO will be resolved in the manner set forth in the <i>pro forma</i> agreement.
<u>FERC regulations or RTO rules</u>	<b>27.2</b>	Deleted because there is no relevant RTO.
<u>Delete Article 29 – Joint Operating Committee</u>	<b>29</b>	Deleted as unnecessary because there need not be a Joint Operating Committee in the context of an ISO.
<u>between among; between or among; either any</u>	<b>30.4</b>	Conforming changes to reflect that this is a three party agreement.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<del>Transmission Provider Participating TO</del>	30.6	Specifies who the Transmission Provider is in this context.
<del>both all</del>	30.9	Conforming changes to reflect that this is a three party agreement.
<u>Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.</u>	30.9	Specifies that amendments may be subject to FERC or other regulatory or legal approval before becoming effective.
<del>both all</del>	30.10	Conforming changes to reflect that this is a three party agreement.
<p><del>Transmission Provider-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:</del></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><u>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,</u></p>	30.11	Lays out the respective filing rights for each of the parties, as appropriate.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p><u>Appendix C, and Appendix E.</u></p> <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><del>under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and</del>  <u>The Interconnection Customer, the ISO, and the Participating TO shall have</u></p>	30.11	Modifications set forth above lay out the respective filing rights for each of the parties, as appropriate.
<p><del>the another</del></p>	30.11	Conforming changes to reflect that this is a three party agreement.
<p><del>between among</del></p>	30.12	Conforming changes to reflect that this is a three party agreement.
<p><del>either any</del></p>	30.12	Conforming changes to reflect that this is a three party agreement.
<p><del>Neither No</del></p>	30.12	Conforming changes to reflect that this is a three party agreement.
<p><del>the another Party</del></p>	30.12	Conforming changes to reflect that this is a three party agreement.
<p><u>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></p>	30.13 <b><u>Joint and Several Obligations.</u></b>	Boilerplate language necessary to clarify that the obligations of each of the parties are several and are not joint and several or joint.
<p><del>(b) [insert Transmission Provider's Participating TO's Interconnection Facilities]:</del></p>	Appendix A	Specifies who the Transmission Provider is in this context: the Participating TO.
<p><del>(b) [insert Other Network Upgrades]:</del></p> <p><del>(i) [insert Participating TO's Reliability Network Upgrades]</del></p> <p><del>(ii) [insert Participating TO's Delivery Network Upgrades]</del></p>	Appendix A	Distinguishes between Reliability Network Upgrades and Delivery Network Upgrades.
<p><del>Infrastructure security of Transmission System-ISO Controlled Grid equipment</del></p>	Appendix D	Specifies what the Transmission System is in this context: the ISO Controlled Grid.

## LGIA Matrix of Changes

Change	Article	Reason for Change
<p>and operations and control hardware and software is essential to ensure day-to-day <del>Transmission System</del> <u>ISO Controlled Grid</u> reliability and operational security. <del>The Commission</del> <u>FERC</u> will expect the ISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the <del>Transmission System</del> <u>ISO Controlled Grid</u> to ...</p>		<p>Specifies who the Commission is in this context: FERC.</p> <p>Specifies what the Transmission System is in this context: the ISO Controlled Grid.</p>
<p><u>The Interconnection Customer shall meet the requirements for security set forth in the ISO Tariff, including the ISO's standards for information security posted on the ISO's internet web site at the following internet address: <a href="http://www.caiso.com/pubinfo/info-security/index.html">http://www.caiso.com/pubinfo/info-security/index.html</a>.</u></p>	<p><b>Appendix D</b></p>	<p>Clarifies that the ISO's security standards apply.</p>
<p><del>the LGIA between Transmission Provider and Interconnection Customer.</del></p> <p><del>[Transmission Provider ISO Address]</del></p> <p><del>[Participating TO Address]</del></p>	<p><b>Appendix E</b></p>	<p>This deletion reflects a three-party LGIA.</p> <p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
<p><del>the Large <u>Electric</u> Generating Facility Unit,</del></p>	<p><b>Appendix E</b></p>	<p>This specifies the design and operation should relate to each individual Electric Generating Unit.</p>
<p><del>Transmission Provider <u>ISO</u></del></p> <p><del>Participating TO</del></p>	<p><b>Appendix F</b></p>	<p>Specifies who the Transmission Provider is in this context: the ISO and the Participating TO.</p>
	<p><b><u>Appendix G</u></b> <b><u>To LGIA</u></b></p> <p><b><u>Reliability</u></b> <b><u>Management</u></b> <b><u>System</u></b> <b><u>Agreement</u></b></p>	<p>This Appendix is added to ensure the Interconnection Customer is aware of the requirement to sign the Applicable Reliability Council's RMS Agreement prior to operation.</p>

**STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)**

**[INTERCONNECTION CUSTOMER]**

**[PARTICIPATING TO]**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**~~(Applicable to Generating Facilities that exceed 20 MW)~~**

## TABLE OF CONTENTS

<b>ARTICLE 1. DEFINITIONS</b> .....	2
<b>ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION</b> .....	11
2.1 Effective Date.....	11
2.2 Term of Agreement .....	11
2.3 Termination Procedures .....	11
2.3.1 Written Notice .....	11
2.3.2 Default .....	11
2.3.3 Suspension of Work.....	11
2.4 Termination Costs .....	11
2.4.1 .....	11
2.4.2 .....	12
2.4.3 .....	12
2.5 Disconnection.....	12
2.6 Survival.....	12
<b>ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE</b> .....	13
3.1 Filing.....	13
3.2 Agreement Subject to ISO Tariff .....	13
3.3 Relationship Between this LGIA and the ISO Tariff .....	13
<b>ARTICLE 4. SCOPE OF SERVICE</b> .....	13
4.1 Interconnection Product Options.....	13
4.1.1 Energy Resource Interconnection Service .....	13
4.1.1.1 The Product.....	13
4.1.1.2 Transmission Delivery Service Implications .....	14
4.1.2 Network Resource Interconnection Service.....	14
4.1.2.1 The Product.....	14
4.1.2.2 Transmission Delivery Service Implications .....	15
4.2 Provision of Service.....	16
4.3 Generator Balancing Service Arrangements .....	16
4.3.1 .....	17
4.4 Performance Standards .....	18
4.5 No Transmission Delivery Service.....	18
4.6 Interconnection Customer Provided Services .....	18
<b>ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION</b> .....	18
5.1 Options.....	18
5.1.1 Standard Option .....	18
5.1.2 Alternate Option.....	19
5.1.3 Option to Build .....	19
5.1.4 Negotiated Option.....	20

5.2	General Conditions Applicable to Option to Build .....	20
5.3	Liquidated Damages .....	21
5.4	Power System Stabilizers.....	22
5.5	Equipment Procurement.....	22
	5.5.1 .....	23
	5.5.2 .....	23
	5.5.3 .....	23
5.6	Construction Commencement.....	23
	5.6.1 .....	23
	5.6.2 .....	23
	5.6.3 .....	23
	5.6.4 .....	23
5.7	Work Progress .....	23
5.8	Information Exchange .....	23
5.9	Limited Operation .....	24
5.10	Interconnection Customer's Interconnection Facilities ("ICIF").....	24
	5.10.1 Large Generating Facility Specifications .....	24
	5.10.2 <del>Transmission Provider</del> Participating TO's and ISO's Review .....	24
	5.10.3 <del>ICIF</del> <u>ICIF-Interconnection Customer's Interconnection Facilities</u> Construction 25	
	<u>5.10.4 Interconnection Customer to Meet Requirements of the</u> <u>Participating TO's Interconnection Handbook .....</u>	
5.11	<del>Transmission Provider</del> Participating TO's Interconnection Facilities Construction .....	25
5.12	Access Rights.....	25
5.13	Lands of Other Property Owners.....	26
5.14	Permits .....	26
5.15	Early Construction of Base Case Facilities.....	26
5.16	Suspension .....	26
5.17	Taxes .....	27
	5.17.1 Interconnection Customer Payments Not Taxable .....	27
	5.17.2 Representations And Covenants.....	27
	5.17.3 Indemnification for Taxes Imposed Upon _____ Transmission Provider <u>Participating TO</u> 28	
	5.17.4 Tax Gross-Up Amount.....	29
	5.17.5 Private Letter Ruling or Change or Clarification of Law 30	
	5.17.6 Subsequent Taxable Events.....	30
	5.17.7 Contests .....	31
	5.17.8 Refund.....	32
	5.17.9 Taxes Other Than Income Taxes .....	33
	5.17.10 _____ Transmission Owners Who Are Not Transmission Providers	33
5.18	Tax Status .....	34
5.19	Modification .....	34
	5.19.1 General.....	34
	5.19.2 Standards .....	34

5.19.3 Modification Costs .....	34
<b>ARTICLE 6. TESTING AND INSPECTION .....</b>	<b>35</b>
6.1 Pre-Commercial Operation Date Testing and Modifications .....	35
6.2 Post-Commercial Operation Date Testing and Modifications .....	35
6.3 Right to Observe Testing .....	35
6.4 Right to Inspect .....	35
<b>ARTICLE 7. METERING .....</b>	<b>36</b>
7.1 General .....	36
7.2 Check Meters .....	36
7.3 <u>Participating TO Retail Metering Standards</u> .....	36
<del>7.4 Testing of Metering Equipment .....</del>	<del>36</del>
<del>7.5 Metering Data .....</del>	<del>37</del>
<b>ARTICLE 8. COMMUNICATIONS .....</b>	<b>37</b>
8.1 Interconnection Customer Obligations .....	37
8.2 Remote Terminal Unit .....	37
8.3 No Annexation .....	38
<b>ARTICLE 9. OPERATIONS .....</b>	<b>38</b>
9.1 General .....	38
9.2 Control Area Notification .....	38
9.3 <u>Transmission Provider ISO and Participating TO Obligations</u> .....	38
9.4 Interconnection Customer Obligations .....	39
9.5 Start-Up and Synchronization .....	39
9.6 Reactive Power .....	39
9.6.1 Power Factor Design Criteria .....	39
9.6.2 Voltage Schedules .....	39
9.6.2.1 Governors and Regulators .....	40
9.6.3 Payment for Reactive Power .....	40
9.7 Outages and Interruptions .....	40
9.7.1 Outages .....	40
9.7.1.1 Outage Authority and Coordination .....	40
9.7.1.2 Outage Schedules .....	41
9.7.1.3 Outage Restoration .....	41
9.7.2 Interruption of Service .....	42
9.7.2.1 .....	42
9.7.2.2 .....	42
9.7.2.3 .....	42
9.7.2.4 .....	42
9.7.2.5 .....	42
9.7.3 Under-Frequency and Over-Frequency Conditions .....	43
9.7.4 System Protection and Other Control Requirements .....	43
9.7.4.1 System Protection Facilities .....	43
9.7.4.2 .....	43



9.7.4.3.....	43
9.7.4.4.....	43
9.7.4.5.....	44
9.7.4.6.....	44
9.7.5 Requirements for Protection .....	44
9.7.6 Power Quality.....	44
9.8 Switching and Tagging Rules.....	45
9.9 Use of Interconnection Facilities by Third Parties .....	45
9.9.1 Purpose of Interconnection Facilities .....	45
9.9.2 Third Party Users .....	45
9.10 Disturbance Analysis Data Exchange .....	45
<b>ARTICLE 10. MAINTENANCE .....</b>	<b>45</b>
10.1 <del>Transmission Provider</del> <u>Participating TO</u> Obligations .....	46
10.2 Interconnection Customer Obligations .....	46
10.3 Coordination .....	46
10.4 Secondary Systems .....	46
10.5 Operating and Maintenance Expenses .....	46
<b>ARTICLE 11. PERFORMANCE OBLIGATION .....</b>	<b>46</b>
11.1 Interconnection Customer's Interconnection Facilities .....	46
11.2 <del>Transmission Provider</del> <u>Participating TO's</u> Interconnection Facilities .....	46
11.3 Network Upgrades and Distribution Upgrades .....	47
11.4 Transmission Credits.....	47
11.4.1 Refund of Amounts Advanced for Network Upgrades .....	47
11.4.2 Special Provisions for Affected Systems .....	48
11.4.3 .....	48
11.5 Provision of Security.....	48
11.5.1 .....	49
11.5.2 .....	49
11.5.3 .....	49
11.6 Interconnection Customer Compensation .....	49
11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.....	49
<b>ARTICLE 12. INVOICE.....</b>	<b>50</b>
12.1 General .....	50
12.2 Final Invoice .....	50
12.3 Payment.....	50
12.4 Disputes .....	50
<b>ARTICLE 13. EMERGENCIES.....</b>	<b>51</b>
13.1 <del>Definition</del> <u>[Reserved]</u> .....	51
13.2 Obligations .....	51
13.3 Notice .....	51

13.4	Immediate Action .....	51
13.5	<del>Transmission Provider</del> <u>ISO and Participating TO Authority</u> .....	52
	13.5.1 General.....	52
	13.5.2 Reduction and Disconnection.....	52
13.6	Interconnection Customer Authority .....	53
13.7	Limited Liability.....	53
<b>ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAWS.....</b>		<b>53</b>
14.1	Regulatory Requirements.....	53
14.2	Governing Law .....	54
	14.2.1 .....	54
	14.2.2 .....	54
	14.2.3 .....	54
<b>ARTICLE 15. NOTICES .....</b>		<b>54</b>
15.1	General .....	54
15.2	Billings and Payments .....	54
15.3	Alternative Forms of Notice.....	54
15.4	Operations and Maintenance Notice .....	54
<b>ARTICLE 16. FORCE MAJEURE .....</b>		<b>55</b>
16.1	<u>Force Majeure</u> .....	55
	<u>16.1.1 .....</u>	<u>55</u>
	<u>16.1.2 .....</u>	<u>55</u>
16.2	.....	55
<b>ARTICLE 17. DEFAULT.....</b>		<b>55</b>
17.1	Default.....	55
	17.1.1 General.....	55
	17.1.2 Right to Terminate .....	55
<b>ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE.....</b>		<b>56</b>
18.1	Indemnity.....	56
	18.1.1 Indemnified <u>Party-Person</u> .....	56
	18.1.2 Indemnifying Party.....	56
	18.1.3 Indemnity Procedures.....	56
18.2	Consequential Damages .....	57
18.3	Insurance .....	57
	18.3.1 .....	58
	18.3.2 .....	58
	18.3.3 .....	58
	18.3.4 .....	58
	18.3.5 .....	58
	18.3.6 .....	59
	18.3.7 .....	59

18.3.8 .....	59
18.3.9 .....	59
18.3.10 .....	59
18.3.11 .....	60
<b>ARTICLE 19. ASSIGNMENT</b> .....	<b>60</b>
19.1 Assignment.....	60
<b>ARTICLE 20. SEVERABILITY</b> .....	<b>60</b>
20.1 Severability.....	60
<b>ARTICLE 21. COMPARABILITY</b> .....	<b>60</b>
21.1 Comparability .....	61
<b>ARTICLE 22. CONFIDENTIALITY</b> .....	<b>61</b>
22.1 Confidentiality.....	61
22.1.1 _____ Term .....	61
22.1.2 _____ Scope.....	61
22.1.3 _____ Release of Confidential Information.....	62
22.1.4 _____ Rights.....	62
22.1.5 _____ No Warranties.....	62
22.1.6 _____ Standard of Care .....	62
22.1.7 _____ Order of Disclosure .....	62
22.1.8 _____ Termination of Agreement .....	63
22.1.9 _____ Remedies.....	63
22.1.10 _____ Disclosure to FERC or its Staff .....	63
22.1.11 .....	64
22.1.12 .....	64
<b>ARTICLE 23. ENVIRONMENTAL RELEASES</b> .....	<b>64</b>
23.1 .....	64
<b>ARTICLE 24. INFORMATION REQUIREMENTS</b> .....	<b>65</b>
24.1 Information Acquisition.....	65
24.2 Information Submission by <del>Transmission Provider</del> <u>Participating TO</u> .....	65
24.3 Updated Information Submission by Interconnection Customer .....	65
24.4 Information Supplementation .....	66
<b>ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS</b> .....	<b>66</b>
25.1 Information Access.....	66
25.2 Reporting of Non-Force Majeure Events.....	67
25.3 Audit Rights .....	67
25.3.1 .....	
25.3.2 .....	
25.4 Audit Rights Periods.....	67
25.4.1 Audit Rights Period for Construction-Related	

Accounts and Records.....	67
25.4.2 Audit Rights Period for All Other Accounts and Records.....	68
25.5 Audit Results .....	68
<u>25.5.1 .....</u>	<u>68</u>
<b>ARTICLE 26. SUBCONTRACTORS .....</b>	<b>68</b>
26.1 General .....	68
26.2 Responsibility of Principal .....	68
26.3 No Limitation by Insurance.....	68
<b>ARTICLE 27. DISPUTES .....</b>	<b>68</b>
27.1 Submission.....	68
27.2 External Arbitration Procedures .....	69
27.3 Arbitration Decisions .....	69
27.4 Costs .....	69
<b>ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS .....</b>	<b>70</b>
28.1 General .....	70
28.1.1 Good Standing.....	70
28.1.2 Authority.....	70
28.1.3 No Conflict .....	70
28.1.4 Consent and Approval .....	70
<b>ARTICLE 29. <del>JOINT OPERATING COMMITTEE</del><u>[RESERVED]</u> .....</b>	<b>71</b>
<del>29.1 Joint Operating Committee.....</del>	<del>71</del>
<del>29.1.1 .....</del>	<del>71</del>
<del>29.1.2 .....</del>	<del>71</del>
<del>29.1.3 .....</del>	<del>71</del>
<del>29.1.4 .....</del>	<del>71</del>
<del>29.1.5 .....</del>	<del>71</del>
<del>29.1.6 .....</del>	<del>71</del>
<b>ARTICLE 30. MISCELLANEOUS .....</b>	<b>72</b>
30.1 Binding Effect.....	72
30.2 Conflicts .....	72
30.3 Rules of Interpretation.....	72
30.4 Entire Agreement .....	72
30.5 No Third Party Beneficiaries.....	72
30.6 Waiver .....	73
30.7 Headings .....	73
30.8 Multiple Counterparts .....	73
30.9 Amendment.....	73
30.10 Modification by the Parties .....	73
30.11 Reservation of Rights .....	73
30.12 No Partnership .....	73

| 30.13 Joint and Several Obligations.....

**Appendices** .....76

**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

**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~~ 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/Commonwealth of California \_\_\_\_\_ (“~~ISO Transmission Provider and/or Transmission Owner~~”). ~~Interconnection Customer, Participating TO, and Transmission Provider-ISO~~ each may be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

**WHEREAS,** ~~Transmission Provider-ISO exercises eOperational Control over es-the Transmission System 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 ~~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.

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

**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 ~~F~~federal ~~H~~holidays and the day after Thanksgiving Day.

**Calendar Day** shall mean any day including Saturday, Sunday or a ~~F~~federal ~~H~~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 Date** of an Electric Generating uUnit shall mean the date on which Interconnection Customer commences commercial operation of the Electric Generating uUnit at the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in 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 NERC.

**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 those non-ISO-controlled transmission and distribution facilities owned by the Participating TO ~~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.~~

**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the ~~Transmission Provider's Participating TO'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.~~ 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 ~~the Commission~~ FERC, or if filed unexecuted, upon the date specified by ~~FERC~~ the Commission.

**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 judgement 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~~ the ISO Controlled Grid, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System 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 (34) 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 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 (ER 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 beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

~~**Generating Facility** shall mean 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 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 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 ~~a~~ 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, and Distribution Upgrades as identified in the Interconnection System Impact Study), 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 Interconnection Procedures~~ between the Interconnection Customer and the Participating TO or the ISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean a ~~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 Participating TO's Transmission System, and, if reasonably practicable, an informational assessment, as needed, of other affected owners' portions of the ISO Controlled Grid, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.~~

**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 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's 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 this LGIA, the Participating TO's Transmission Owner Tariff, and, if applicable, the Transmission Provider's 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's 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.

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

~~**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.~~

**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 and 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 that portion of a Generating Facility that is integrated with the Transmission Provider's Transmission System, designated as a Network Resource pursuant to the terms of the Tariff, and subjected to redispatch directives as ordered by the Transmission Provider in accordance with the Tariff.~~

~~**Network Resource Interconnection Service (NR 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.~~

~~**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System. be Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades.~~

~~**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.~~

**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.

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

~~**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 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.

~~**Transmission Provider's Participating TO's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement this LGIA, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's 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, controlled or 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

~~Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.~~

**Party or Parties** shall mean ~~Transmission Provider Participating TO, Transmission Owner 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's 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's 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, ~~and the Participating TO, and the ISO~~ Transmission Provider 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 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~~this LGIA.

**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.~~

**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 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.

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

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

**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 a Party to 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 Participating TO's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the ~~Transmission Provider~~ Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the ~~Standard Large Generator Interconnection Agreement~~ this LGIA, including any modifications, additions or upgrades to such facilities and equipment. ~~Transmission Provider's 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 Transmission System** shall mean the facilities owned, controlled or 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 ~~Transmission Provider or Transmission Owner~~ that are used to provide transmission service under the Tariff.

**Trial Operation** shall mean the period during which 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

- 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 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 or ~~such other longer period as the Interconnection Customer may request~~ **(Term to be 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.** This LGIA may be terminated as follows:
- 2.3.1 Written Notice.** The Interconnection Customer may terminate this LGIA after giving the ~~Transmission Provider ISO and Participating TO~~ ninety (90) Calendar Days advance written notice; or
- 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.

Notwithstanding the foregoing, 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 this LGIA terminates this Agreement 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 Parties' receipt of such the notice of termination, subject to the limitations set forth in this Article 2.4 that are the responsibility of the Terminating Party under this LGIA. 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 either a Party, both 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 the ~~Transmission Provider's Participating TO's~~ Interconnection Facilities that have not yet been constructed or installed, the ~~Transmission Provider Participating TO~~ shall to the extent possible and with 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 Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the ~~Transmission Provider Participating TO~~ shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid ~~Transmission Provider Participating TO~~ for any or all such costs of materials or equipment not taken by Interconnection Customer, ~~Transmission Provider Participating TO~~ shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties,

incurred by the ~~Transmission Provider-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 the Transmission Provider has incurred expenses and has not been reimbursed by the Interconnection Customer.~~

**2.4.2** ~~Transmission Provider-Participating TO~~ may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case ~~Transmission Provider-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 ~~Transmission Provider-Participating TO~~ and the ISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. Any information related to studies for interconnection

asserted by Interconnection Customer to contain competitively sensitive commercial or financial information shall be maintained by the ~~Transmission Provider-Participating TO~~ and ISO and identified as "confidential" under seal stating that Interconnection Customer asserts such information is Confidential Information and has requested such information be kept under seal. If requested by the ~~Transmission Provider-Participating TO~~ or ISO, Interconnection Customer shall provide the ~~Transmission Provider-Participating TO~~ or ISO, in writing, with the Interconnection Customer's basis for asserting that the information referred to in this Article 3.1 is competitively sensitive information, and the ~~Transmission Provider-Participating TO~~ or ISO may disclose such writing to the appropriate Governmental Authority. Interconnection Customer shall be responsible for the costs associated with affording confidential treatment of such information. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with ~~Transmission Provider-Participating TO~~ and ISO with respect to such filing and to provide any information reasonably requested by ~~Transmission Provider-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 FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]**

## 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 (ER Interconnection Service).~~**

**~~4.1.1.1 The Product.~~** ~~ER Interconnection Service allows 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 available capacity of the ISO Controlled Grid Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive ER Interconnection Service, the ~~Transmission Provider-Participating TO~~ shall construct facilities consistent with the studies identified in Attachment Appendices A and C that the Participating TO is responsible to construct. ER~~

Interconnection Service does not in and of itself convey any transmission delivery service.

~~4.1.1.2 — **Transmission Delivery Service Implications.** Under ER Interconnection Service, the Interconnection Customer will be able 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 MW's identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for ER Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), the 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 the Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but the Interconnection Customer may obtain point-to-point transmission delivery service or be used for secondary network transmission service, pursuant to the Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In these instances, in order for the 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 the 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 the 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 may require the construction of additional Network Upgrades.~~

#### ~~4.1.2 Network Resource Interconnection Service (NR Interconnection Service).~~

~~4.1.2.1 — **The Product.** The 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 the 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 other Network Resources. NR Interconnection Service in and of itself does not convey any transmission delivery service.

**4.1.2.2 ~~Transmission Delivery Service Implications.~~** NR Interconnection Service allows the Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on the Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as all other existing Network Resources interconnected to the Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although NR 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 NR 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.

NR 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 Transmission Provider's Transmission System ISO Controlled Grid without incurring congestion costs. In the event of transmission constraints on the Transmission Provider's Transmission System ISO Controlled Grid, the Interconnection Customer's Large

Generating Facility shall be subject to the applicable congestion management procedures in the ~~Transmission Provider's Transmission System~~ ISO Tariff in the same manner as all other ~~Network Resources~~.

~~There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that the 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 the Transmission Provider's Tariff.~~

~~Once an Interconnection Customer satisfies the requirements for obtaining NR Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within the 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. To the extent the Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside the Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for the 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 Generator Balancing Service Arrangements.** Interconnection Customer must comply with the provisions of the ISO Tariff governing imbalance energy ~~demonstrate, to the Transmission Provider's reasonable satisfaction, that it has satisfied the requirements of this Article 4.3 prior to the submission of any schedules for delivery service to such Transmission Provider identifying the Large Generating Facility as the Point of Receipt for such scheduled delivery.~~



~~4.3.1 Interconnection Customer is responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the Transmission Provider's Transmission System, consistent with the scheduling requirements of the Transmission Provider's FERC-approved market structure, including ramping into and out of such scheduled delivery, as measured at the Point of Interconnection, consistent with the scheduling requirements of the Transmission Provider's Tariff and any applicable FERC-approved market structure.~~

~~Interconnection Customer shall arrange for the supply of energy when there is a difference between the actual Large Generating Facility output and the scheduled delivery from the Large Generating Facility (the "Generator Balancing Service Arrangements").~~

~~Interconnection Customer may satisfy its obligation for making such Generator Balancing Service Arrangements by:~~

~~(a) obtaining such service from another entity that (i) has generating resources deliverable within the applicable Control Area, (ii) agrees to assume responsibility for providing such Generator Balancing Service Arrangements to the Interconnection Customer, and (iii) has appropriate coordination service arrangements or agreements with the applicable Control Area that addresses Generator Balancing Service Arrangements for all generating resources for which the entity is responsible within the applicable Control Area;~~

~~(b) committing sufficient additional unscheduled generating resources to the control of and dispatch by the applicable Control Area operator that are capable of supplying energy not supplied by the Interconnection Customer's scheduled Large Generating Facility, and entering into an appropriate coordination services agreement with the applicable Control Area that addresses Generator Balancing Service Arrangements obligations for the Large Generating Facility;~~

~~(c) entering into an arrangement with another Control Area to dynamically schedule the Interconnection Customer's Large Generating Facility out of the applicable Control Area and into such other Control Area;~~

~~(d) entering into a Generator Balancing Service Arrangements with the applicable Control Area; or~~

~~(e) in the event the load/generation balancing function of the applicable Control Area is accomplished through the function of its market structures approved by FERC, by entering into an arrangement consistent with such FERC approved market structure.~~

~~In the event Interconnection Customer fails to demonstrate to the Transmission Provider that it has otherwise complied with this Article 4.3, the Interconnection Customer shall be deemed to have elected to enter into a Generator Balancing Service Arrangements with the applicable Control Area.~~

~~Nothing in this provision shall prejudice either Party from obtaining a FERC approved tariff addressing its obligations and rights with respect to Generator Balancing Service Arrangements.~~

- 4.4 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 ~~Transmission Provider or Transmission Owner~~ ISO or Participating TO, then that Party shall amend the LGIA and submit the amendment to the ~~Commission~~ FERC for approval.
- 4.5 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission ~~delivery service~~ under the ~~Transmission Provider's~~ ISO Tariff.
- 4.6 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 to ~~between among~~ the Parties, 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 ~~Transmission Provider~~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.** The ~~Transmission Provider~~Participating TO shall design, procure, and construct the ~~Transmission Provider~~Participating TO's Interconnection Facilities, ~~and Network Upgrades, and Distribution Upgrades,~~ using Reasonable Efforts to complete the ~~Transmission Provider~~Participating TO's Interconnection Facilities, ~~and Network Upgrades, and Distribution Upgrades~~ by the dates set forth in Appendix B, Milestones. The ~~Transmission Provider~~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 ~~Transmission Provider~~Participating TO reasonably expects that it will not be able to complete the ~~Transmission Provider~~Participating TO's Interconnection Facilities, ~~and Network Upgrades, and Distribution Upgrades~~ by the specified dates, the ~~Transmission Provider~~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 Interconnection Customer are acceptable to ~~Transmission Provider~~ the Participating TO, the ~~Transmission Provider~~Participating TO shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of the ~~Transmission Provider~~Participating TO's Interconnection Facilities by the designated dates.

If ~~Transmission Provider~~Participating TO subsequently fails to complete ~~Transmission Provider~~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~~Participating TO shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by 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 Interconnection Customer are not acceptable to ~~Transmission Provider~~ the Participating TO, the ~~Transmission Provider~~ Participating TO shall so notify the Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of ~~Transmission Provider~~ Participating TO's Interconnection Facilities and Stand Alone Network Upgrades. ~~Both Transmission Provider~~ 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 ~~the~~ 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, Interconnection Customer shall so notify ~~Transmission Provider~~ Participating TO within thirty (30) Calendar Days, 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 ~~Transmission Provider~~ Participating TO's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which ~~Transmission Provider~~ Participating TO is responsible for the design, procurement and construction of the ~~Transmission Provider~~ Participating TO's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, ~~Transmission Provider~~ Participating TO shall assume responsibility for the design, procurement and construction of the ~~Transmission Provider~~ 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 Interconnection Customer assumes responsibility for the design, procurement and construction of the ~~Transmission Provider~~ Participating TO's Interconnection Facilities and Stand Alone Network Upgrades,

(1) the Interconnection Customer shall engineer, procure equipment, and construct the ~~Transmission Provider~~ 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 ~~Transmission Provider~~ Participating TO;

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

(3) ~~Transmission Provider~~ the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, e-the engineering design, equipment acceptance tests, and the construction of the ~~Transmission Provider~~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, Interconnection Customer shall provide to ~~Transmission Provider~~ the Participating TO, with a copy to the ISO for informational purposes, a schedule for construction of the ~~Transmission Provider~~Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from ~~Transmission Provider~~Participating TO;

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

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

(8) If the Interconnection Customer retains ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall transfer control of Transmission Provider Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO and shall become a party to the Transmission Control Agreement with regard to the Stand Alone Network Upgrades Transmission Provider; and

If the Interconnection Customer transfers ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, then 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.

(9) Transmission Provider the Participating TO shall approve and accept for operation and maintenance the Transmission Provider Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2, which operation and maintenance shall be provided in accordance with a separate agreement between the Interconnection Customer and the Participating TO; and

(10) 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.

**5.3 Liquidated Damages.** The actual damages to the Interconnection Customer, in the event the ~~Transmission Provider~~ Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the ~~Transmission Provider~~ 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 ~~Transmission Provider~~ Participating TO to the Interconnection Customer in the event that ~~Transmission Provider~~ Participating TO does not complete any portion of the ~~Transmission Provider~~ 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 ~~Transmission Provider~~Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which ~~Transmission Provider~~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 ~~Transmission Provider~~Participating TO's Interconnection Facilities and Network Upgrades for which the ~~Transmission Provider~~Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the ~~Transmission Provider~~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.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of the ~~Transmission Provider~~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 the ~~Transmission Provider~~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~~Participating TO's or ISO's delay; (2) the ~~Transmission Provider~~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 LGIA-interconnection agreement with the ~~Transmission Provider~~ISO and/or Participating TO, action or inaction by the ISO, or any cause beyond ~~Transmission Provider~~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 ~~Transmission Provider~~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. ~~Transmission Provider~~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 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-Transmission Provider's system operator, or its designated representative. 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.

**5.5 Equipment Procurement.** If responsibility for construction of the ~~Transmission Provider~~Participating TO's Interconnection Facilities or Network Upgrades is to be borne by the ~~Transmission Provider~~Participating TO, then the ~~Transmission Provider~~Participating TO shall commence design of the ~~Transmission Provider~~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 ~~Transmission Provider~~Participating TO has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

**5.5.2** The ~~Transmission Provider~~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 ~~Transmission Provider~~Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

**5.6 Construction Commencement.** The ~~Transmission Provider~~Participating TO shall commence construction of the ~~Transmission Provider~~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 ~~Transmission Provider~~Participating TO's Interconnection Facilities and Network Upgrades;



- 5.6.3 The ~~Transmission Provider~~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 security to the ~~Transmission Provider~~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~~another Party. If, at any time, the Interconnection Customer determines that the completion of the ~~Transmission Provider~~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 ~~Transmission Provider~~ Participating TO and ISO of such later date upon which the completion of the ~~Transmission Provider~~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 the ~~Transmission Provider's~~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 ~~Transmission Provider~~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~~Unit, ~~Transmission Provider~~ the Participating TO and/or ISO, as applicable, shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the ~~Large Electric~~Generating FacilityUnit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the ~~Transmission Provider~~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 FacilityUnit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 **Interconnection Customer's Interconnection Facilities ("ICIF").** 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 Specifications.** 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, and any other applicable requirements~~ of the ~~Transmission Provider~~ Participating TO and the ISO and comment on such specifications within thirty (30) Calendar Days of 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 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 telemetry, communications, and safety requirements of the ~~Transmission Provider~~ 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 the ~~Transmission Provider~~ 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 Facilities 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. 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.** The ~~Transmission Provider~~ 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, the ~~Transmission Provider~~ Participating TO shall deliver to the Interconnection Customer and the ISO the following "as-built" drawings, information and documents for the ~~Transmission Provider~~ Participating TO's Interconnection Facilities **-[include appropriate drawings and relay diagrams].**

The ~~Transmission Provider~~ Participating TO will obtain control for operating and maintenance purposes of the ~~Transmission Provider~~ 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 and its agents 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 ~~Transmission Provider or Transmission Owner's~~ Participating TO's Interconnection Facilities and/or Network Upgrades ~~is~~ are to be installed on property owned by persons other than Interconnection Customer or ~~Transmission Provider or Transmission Owner~~ Participating TO, the ~~Transmission Provider or Transmission Owner~~ Participating TO shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf, 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 ~~Transmission Provider or Transmission Owner's~~ Participating TO's Interconnection Facilities and/or Network Upgrades upon such property. Upon receipt of a reasonable siting request, ~~Transmission Provider~~ Participating TO shall provide siting assistance to the Interconnection Customer comparable to that provided to the ~~Transmission Provider's~~ Participating TO's own, or an Affiliate's generation.

**5.14 Permits.** ~~The LGIA shall~~ Appendix C specifies ~~y~~ the allocation of the responsibilities of the ~~Transmission Provider or Transmission Owner~~ 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 ~~Transmission Provider or Transmission Owner and the Interconnection Customer~~ 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~~ Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the ~~Transmission Provider's~~ Participating TO's own, or an Affiliate's generation.

**5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request ~~Transmission Provider~~ Participating TO to construct, and ~~Transmission Provider~~ 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 Facilities Studies ~~y~~ 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.** 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~~ associated with the construction and installation of ~~Transmission Provider~~ Participating TO's Interconnection Facilities, and/or Network Upgrades, and/or Distribution Upgrades required under this LGIA with the condition that the ~~Transmission Provider~~ Participating TO and ISO shall be left in a safe and reliable condition in accordance with Good Utility Practice and the ~~Transmission Provider~~ Participating TO's safety and reliability criteria and the ISO's Applicable Reliability Standards. In such event, 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~~ Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, ~~Transmission Provider~~ Participating TO shall obtain Interconnection Customer's authorization to do so.

~~Transmission Provider~~ The Participating TO shall invoice 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~~ 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.

## **5.17 Taxes.**

**5.17.1 Interconnection Customer Payments Not Taxable.** The Parties intend that all payments or property transfers made by Interconnection Customer to ~~Transmission Provider~~ Participating TO for the installation of the ~~Transmission Provider~~ 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 Covenants.** In accordance with IRS Notice 2001-82 and IRS Notice 88-129, 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 the ~~Transmission Provider~~ Participating TO for the ~~Transmission Provider~~ Participating TO's Interconnection Facilities will be capitalized by 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 ~~Transmission Provider~~ 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 during each of the first ten (10) years after the Commercial Operation Date, 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, 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~~ Participating TO represents and covenants that the cost of the ~~Transmission Provider~~ Participating TO's Interconnection Facilities paid for by 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 Taxes Imposed Upon ~~Transmission Provider~~ Participating TO.** Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless ~~Transmission Provider~~ the Participating TO from income taxes imposed against ~~Transmission Provider~~ the Participating TO as the result of payments or property transfers made by Interconnection Customer to ~~Transmission Provider~~ the Participating TO under this LGIA, including income taxes resulting from circumstances described in Article 5.17.6, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by ~~Transmission Provider~~ Participating TO.

~~Transmission Provider~~ The Participating TO shall not include a gross-up for income taxes in the amounts it charges 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 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~~ Unless the Federal Energy Regulatory Commission rules otherwise, the Participating TO may require Interconnection Customer to provide security, in an amount not to exceed the gross-up computed under Article 5.17.4, assuming the payments or property transfers described in this Article 5.17.3 had been includible in the Participating TO's income subject to taxation at the time of transfer. Such security shall be provided 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 Interconnection Customer's estimated tax liability under this Article 5.17 until (x) in the case of a refundable contribution (e.g., an advance for system upgrades), the date the obligation to refund becomes fixed or (y) in the case of a non-refundable contribution (e.g., a contribution for an intertie), the date the risk of subsequent taxability described in Article 5.17.6 no longer exists, as reasonably determined by Participating TO. Interconnection Customer shall reimburse Transmission Provider~~ the Participating TO for such taxes 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.~~

In the event that the ~~Transmission Provider~~ Participating TO includes a gross-up upon its own determination that the payments or property transfers should be reported as income subject to taxation, the Interconnection Customer may require the ~~Transmission Provider~~ Participating TO to provide security, in a form reasonably acceptable to the Interconnection Customer (such as a parental guarantee or a letter of credit) in an amount equal to the Interconnection Customer's estimated tax liability under this Article 5.17; provided that any expense incurred by the Participating TO to a third party (e.g., bank) in providing such security shall be paid by the Interconnection Customer.

The indemnification obligation shall terminate at the ~~earlier~~ later of (1) the expiration of the 10-year testing period, as contemplated by IRS Notice 88-129, and the applicable statute of limitation, as it may be extended by the ~~Transmission Provider~~ Participating TO upon request of the IRS, to keep these years open for audit or adjustment, or (2) ~~the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17~~ 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.** Interconnection Customer's liability for taxes 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 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 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 the ~~Transmission Provider~~ 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 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**

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 Interconnection Customer to ~~Transmission Provider~~ the Participating TO under this LGIA are subject to federal income taxation.

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 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, Interconnection Customer explicitly acknowledges (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 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 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 Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request. If the private letter ruling concludes that such transfers or sums are not subject to federal income taxation, or a clarification of or change in law results in ~~Transmission Provider~~ the Participating TO determining in good faith that such transfers or sums are not subject to federal income taxation, Parties' obligations regarding a gross-up or security under this Article 5.17 shall be reduced accordingly.

**5.17.6 Subsequent Taxable Events.** ~~If, within 10 years from the date on which the relevant Transmission Provider Interconnection Facilities are placed in service,~~ (i) Interconnection Customer Breaches the covenant contained in ~~Article~~Section 5.17.2(i), (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and ~~Transmission Provider~~Participating TO retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the taxes imposed on ~~Transmission Provider~~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 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 Interconnection Customer and at Interconnection Customer's sole expense, ~~Transmission Provider~~ the Participating TO shall appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, ~~Transmission Provider~~ the Participating TO shall 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~~ The Participating TO reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but

~~Transmission Provider~~ the Participating TO shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to ~~Transmission Provider~~ the Participating TO on a periodic basis, as invoiced by ~~Transmission Provider~~ the Participating TO, ~~Transmission Provider~~ 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.

~~Transmission Provider~~ The Participating TO will not be required to appeal or seek further review beyond one level of judicial review. At any time during the contest, ~~Transmission Provider~~ the Participating TO may agree to a settlement either with 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 Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by 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 paragraph. ~~Any settlement~~ The Participating TO may also settle any tax controversy without receiving Interconnection Customer's consent or any such written advice; however, any such settlement will relieve Interconnection Customer from any obligation to indemnify ~~Transmission Provider~~ the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to 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 Provider~~ the Participating TO which holds that any amount paid or the value of any property transferred by Interconnection Customer to ~~Transmission Provider~~ 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 ~~Transmission Provider~~ the Participating TO in good faith that any amount paid or the value of any property transferred by Interconnection Customer to ~~Transmission Provider~~ the Participating

TO under the terms of this LGIA is not taxable to ~~Transmission Provider~~ the Participating TO, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to ~~Transmission Provider~~ the Participating TO are not subject to federal income tax, or (d) if ~~Transmission Provider~~ the Participating TO receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to ~~Transmission Provider~~ the Participating TO pursuant to this LGIA, ~~Transmission Provider~~ the Participating TO shall promptly refund to 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 Interconnection Customer to ~~Transmission Provider~~ the Participating TO for such taxes which ~~Transmission Provider~~ 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)(ii) from the date payment was made by Interconnection Customer to the date ~~Transmission Provider~~ the Participating TO refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by ~~Transmission Provider~~ the Participating TO, any refund or credit ~~Transmission Provider~~ 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 ~~Transmission Provider~~ 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 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 the ~~Transmission Provider~~ Participating TO's Interconnection Facilities.

The intent of this provision is to leave ~~both the p~~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 Interconnection Customer, and at Interconnection Customer's sole expense, ~~Transmission Provider~~ the ISO or Participating TO shall 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 Interconnection Customer may be required to reimburse ~~Transmission Provider~~ the ISO or Participating TO under the terms of this LGIA. Interconnection Customer, the ISO, and Transmission Provider 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 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, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by ~~Transmission Provider~~ Participating TO.

~~**5.17.10 Transmission Owners Who Are Not Transmission Providers.** If the 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 the Transmission Provider under this Article 5.17 of this LGIA.~~

**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 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 Parties' facilities, that Party shall provide to the other Parties y-sufficient information regarding such modification so that the other Parties y-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 ~~y~~ 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 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~~ ISO Controlled Grid, Transmission Provider 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.** Interconnection Customer shall not be directly assigned ~~for~~ the costs of any additions, modifications, or replacements that ~~Transmission Provider~~ the Participating TO makes to the ~~Transmission Provider Participating TO's~~ Interconnection Facilities or the Participating TO's Transmission System to facilitate the interconnection of a third party to the ~~Transmission Provider Participating TO's~~ Interconnection Facilities or the Participating TO's Transmission System, or to provide transmission service under the ~~Transmission Provider's ISO~~ Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the ~~Interconnection Customer~~ Interconnection Facilities that may be necessary to maintain or upgrade such ~~Interconnection Customer~~ 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 ~~Transmission Provider~~ Participating TO shall test the ~~Transmission Provider's~~ Participating TO's Interconnection Facilities, and Network Upgrades, and Distribution Upgrades and 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. Interconnection Customer shall bear the cost of all such testing and modifications. 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. 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 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~~ 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~~ another Party's System Protection Facilities and other protective equipment; and (iii) review ~~the~~ 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 ~~Transmission Provider~~ the Participating TO or ISO obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be confidential hereunder.

## 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 ~~Participating TO and the Interconnection Customer, Transmission Provider shall~~ 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~~ 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 Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system. 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.** 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 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~~ the ISO or Participating TO or its their designees. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards**Participating TO Retail Metering. ~~Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards~~ 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

**8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the ISO in accordance with the provisions of the ISO Tariff and with Transmission Provider's Transmission System the Participating TO's dispatcher or representative designated by Transmission Provider the Participating TO. 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. 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 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 both the Parties, shall be



installed by Interconnection Customer, or by ~~Transmission Provider~~ the Participating TO at 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.

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 Parties ~~y~~ 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~~ 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 ~~Transmission Provider~~ 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 ISO and Participating TO shall cause the Participating TO's Transmission System and the Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Participating TO at 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 ISO and Participating TO may provide operating instructions to 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 Participating TO and ISO will consider changes to its-their operating protocols and procedures proposed by Interconnection Customer.~~

**9.4 Interconnection Customer Obligations.** 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. 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 are 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. ~~Either A Party may request that the another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.~~ 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 Unit~~ to the ~~Transmission Provider's Transmission System ISO Controlled Grid.~~

**9.6 Reactive Power.**

**9.6.1 Power Factor Design Criteria.** 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 0.95-0.90 lagging, unless ~~Transmission Provider~~ the ISO has

established different requirements that apply to all generators in the Control Area on a comparable basis.

**9.6.2 Voltage Schedules.** Once the Interconnection Customer has synchronized the Large-an Electric Generating Facility Unit with the Transmission System ISO Controlled Grid, Transmission Provider the ISO or Participating TO shall require Interconnection Customer to maintain a voltage schedule by operating e-the Large-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's-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 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 Transmission-electric Ssystem. 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-Electric Generating Facility 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 Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator ISO 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 Electric gGenerating uUnit pursuant to Good Utility Practice) and voltage regulators are capable of operation, 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's 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, 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 Large-Electric Generating Facility's Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Large

~~Generating Facility's Electric g~~Generating uUnit(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. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the ~~Transmission System~~ISO Controlled Grid or trip any ~~Electric g~~Generating uUnit 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 Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from ~~the Large an~~ Electric Generating Facility Unit only in those instances where the ~~Transmission Provider~~ISO requests the Interconnection Customer to operate its ~~Large Electric~~ Generating Facility Unit outside the agreed upon dead band as specified in Article 9.6.1. 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 Parties ~~y~~remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact ~~the~~ 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 ~~both~~ 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 Transmission Provider-ISO shall post scheduled outages of its transmission-ISO Controlled Grid facilities in accordance with the provisions of the ISO Tariff on the OASIS. 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. Interconnection Customer shall update its planned maintenance schedules as necessary in accordance with the ISO Tariff. Transmission Provider-The ISO may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System-ISO Controlled Grid in accordance with the ISO Tariff; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. 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. Transmission Provider-The ISO shall compensate 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, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost the Interconnection Customer would have incurred absent the Transmission Provider's request to reschedule maintenance.~~ 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~~ 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, ~~Transmission Provider~~ the ISO or the Participating TO may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect ~~Transmission Provider's~~ 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 Participating TO's electric Ssystem 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 ~~G~~generating ~~F~~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 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 Interconnection Customer in advance regarding the timing of such scheduling and further notify 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, the ISO, and the Transmission Provider 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. Interconnection Customer shall implement under-frequency and over-frequency ~~relay protection~~ 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 the ~~Transmission Provider 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.** 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 Participating TO~~ shall install at Interconnection Customer's expense any System Protection Facilities that may be required on the ~~Transmission Provider 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's~~ 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's~~ 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 uUnits.

**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-S~~service Ddate, and again prior to the Commercial Operation Date, ~~each Party~~ the Participating TO and Interconnection Customer or its ~~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, 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's~~ 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. Interconnection Customer shall be responsible for protection of the Large Generating Facility and 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. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and 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's ~~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 any alternative Applicable Reliability Council standard,~~ the alternative aApplicable superseding electric industry Reliability Council standard, shall control.

**9.8 Switching and Tagging Rules.** Each Party shall provide the other Parties ~~y a~~ a copy of its switching and tagging rules that are applicable to the other Parties' ~~y's~~ y's 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 ~~Transmission~~

~~Provider's Participating TO's~~ Interconnection Facilities, or any part thereof, 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 Participating TO~~, all third party users, and 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 Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by ~~Transmission Provider Participating TO~~, all third party users, and 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 ~~Transmission Provider's Transmission System~~ 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 ~~Transmission Provider Participating TO~~ Obligations.** ~~Transmission Provider Participating TO~~ shall maintain the Participating TO's Transmission System and the ~~Transmission Provider's Participating TO's~~ Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** 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 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, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of ~~Transmission Provider's Participating TO's~~ Interconnection Facilities.

## ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** 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's Participating TO's~~ Interconnection Facilities.** ~~Transmission Provider or Transmission Owner Participating TO~~ shall design, procure, construct, install, own and/or control the ~~Transmission Provider's Participating TO's~~ Interconnection Facilities described in Appendix A, ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades,~~ at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** ~~Transmission Provider or Transmission Owner 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 the ~~Transmission Provider or Transmission Owner Participating TO~~ elects to fund the capital for the 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 FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]**

**11.4.1 Refund of Amounts Advanced for Network Upgrades.** Upon the Commercial Operation Date, the Interconnection Customer shall be entitled to a cash refund, equal to the total amount paid to Transmission Provider the Participating TO and Affected System Operator, if any, 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 ing any related tax gross-up or other tax-related payments, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to and shall be paid to 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) for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility.

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 refund all amounts to the Interconnection Customer and Participating TO, provided that such amount is paid by Interconnection Customer for the Network Upgrades, together with interest, 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. Transmission Provider and Affected System Operator shall provide refunds to Interconnection Customer only after commercial operation of the Large Generating Facility has been demonstrated.

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 provide refunds to Interconnection Customer for the amounts advanced for the Network Upgrades. Any refund 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) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a refund of such payment pursuant to

~~this subparagraph. Interconnection Customer may assign such refund rights to any person.~~

**11.4.2 Special Provisions for Affected Systems.** ~~Unless the Transmission Provider provides, under the LGIA, for the payment of refunds for amounts advanced to Affected System Operator for Network Upgrades, ‡The Interconnection Customer and shall enter into an agreement with the owner of the Affected System Operator shall enter into an agreement that provides for such payment. The agreement shall specify the terms governing and/or other affected owners of portions of the ISO Controlled Grid, as applicable, in accordance with the LGIP payments to be made by the Interconnection Customer to the Affected System Operator as well as the payment of refunds by the Affected System Operator. 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 payment of refunds 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 payment of refunds for any facilities that are not part of the Participating TO's Transmission System.~~

~~Refunds are to be paid without regard to whether the Interconnection Customer contracts for transmission service on the Affected System. If the Interconnection Customer does not contract for transmission service, and in the absence of another mutually agreeable payment schedule, refunds shall be established at a level equal to the Affected System's rate for firm point-to-point transmission service multiplied by the output of the Large Generating Facility assumed in the Interconnection Facilities Study. All refunds must be paid within five years of the Commercial Operation Date.~~

**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 refunds 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, Interconnection Customer shall provide ~~Transmission Provider Participating TO~~, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to ~~Transmission Provider 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 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 ~~and 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 Participating TO~~ under this LGIA during its term.

In addition:

**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of ~~Transmission Provider Participating TO~~, and contain terms and conditions that guarantee payment of any amount that may be due from 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 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 Participating TO~~ and must specify a reasonable expiration date.

**11.6 Interconnection Customer Compensation.** - If ~~Transmission Provider the ISO~~ requests or directs 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 Interconnection Customer in accordance with ~~the ISO Tariff.~~ ~~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, the Transmission Provider agrees to compensate the Interconnection Customer in such amount as would have been due the 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.~~

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

## 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.** ~~As soon as reasonably practicable, but W~~ within six twelve months after completion of the construction of the ~~Transmission Provider's Participating TO's Interconnection Facilities, and the Network Upgrades, and Distribution Upgrades.~~ Transmission Provider Participating TO shall provide an invoice of the final cost of the construction of the ~~Transmission Provider's Participating TO's Interconnection Facilities, and the Network Upgrades, and Distribution Upgrades,~~ and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. ~~Transmission Provider Participating TO shall refund to Interconnection Customer any amount by which the actual payment by 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 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 Interconnection Customer receiving the invoice shall pay, or Participating TO shall refund, the invoice amounts due within thirty (30) Calendar Days of 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 Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this LGIA.

**12.4 Disputes.** In the event of a billing dispute between ~~Transmission Provider and Interconnection Customer and the Participating TO~~, ~~Transmission Provider the Participating TO and the ISO~~ shall continue to provide Interconnection Service under this LGIA as long as 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 Interconnection Customer fails to meet these two requirements for continuation of service, then ~~Transmission Provider the Participating TO~~ may provide notice to 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)(ii). 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] 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, the 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 the Interconnection Customer 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 Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the ~~Transmission Provider's Participating TO's Interconnection Facilities or Distribution System or the Transmission System~~ ISO Controlled Grid, respectively, that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. 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~~ ISO Controlled Grid or the Transmission Provider's 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 Interconnection Customer's or ~~Transmission Provider's 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 Interconnection Customer's reasonable judgment, immediate action is required, 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 the Transmission Provider Participating TO or ISO or in response to any otherwise regarding emergency condition~~ the Transmission System.

**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~~ ISO Controlled Grid or the ~~Transmission Provider's Participating TO's Interconnection Facilities or Distribution System~~ if they deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the ~~Transmission System~~ ISO Controlled Grid or the ~~Transmission Provider's 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 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 ~~Transmission Provider's~~ 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 the ~~Transmission Provider~~ ISO pursuant to the ~~Transmission Provider's~~ ISO Tariff. When the ~~Transmission Provider~~ ISO or Participating TO can schedule the reduction or disconnection in advance, ~~Transmission Provider~~ the ISO or Participating TO shall notify 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 the ~~Transmission Provider~~ 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, and the this LGIA, and the ~~LGIP ISO Tariff~~, the Interconnection Customer may take whatever 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~~ ISO Controlled Grid and the ~~Transmission Provider's Participating TO's~~ Interconnection Facilities. ~~Transmission Provider~~ The ISO and Participating TO shall use Reasonable Efforts to assist Interconnection Customer in such actions. Interconnection Customer shall not be obligated to follow ~~Transmission Provider's~~ the ISO's or Participating TO's instructions to the extent the instruction would have a material adverse impact on the safe and reliable operation of Interconnection Customer's Large Generating Facility. Upon request, Interconnection Customer shall provide ~~Transmission Provider~~ the ISO and Participating TO with documentation of any such alleged material adverse impact.

**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**

**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 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.

#### **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 ~~either a~~ Party to ~~the~~ another and any instrument required or permitted to be tendered or delivered by ~~either a~~ Party in writing to ~~the~~ 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. ~~Either 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 either Party to the other and not required by this ~~Agreement~~ 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 ~~y~~ 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** ~~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 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 Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 17.1.2, the defaulting Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) Calendar Days, the defaulting 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 Default specified in such notice shall cease to exist.

**17.1.2 Right to Terminate.** If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this 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 defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

## ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

**18.1 Indemnity.** ~~The Each Party ies~~ shall at all times indemnify, defend, and save the other Parties y harmless from, any and all damages, lLosses, 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 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 Person Party.** If an indemnified Person 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 Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgement 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 Person Party harmless under this Article 18, the amount owing to the indemnified Party Person shall be the amount of such indemnified Party's Person's actual Loss, net of any insurance or other recovery.

**18.1.3 Indemnity Procedures.** Promptly after receipt by an indemnified Party Person 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 Person 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 Person. If the defendants in any such action include one or more indemnified Parties Persons and the indemnifying Party and if the indemnified Party Person reasonably concludes that there may be legal defenses available to it and/or other indemnified Parties Persons which are different from or additional to those available to the indemnifying Party, the indemnified Party Person 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 Person~~ or ~~indemnified Parties Persons~~ having such differing or additional legal defenses.

The ~~indemnified Party Person~~ 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 Person~~ and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the ~~indemnified Party Person~~, or there exists a conflict or adversity of interest between the ~~indemnified Party Person~~ and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the ~~indemnified Party Person~~, and (ii) shall not settle or consent to the entry of any judgement in any action, suit or proceeding without the consent of the ~~indemnified Party Person~~, which shall not be unreasonably withheld, conditioned or delayed.

**18.2 Consequential Damages.** Other than the ~~Liquidated D~~damages heretofore described in Article 5.3, in no event shall either ~~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~~ another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

**18.3 Insurance.** Each ~~p~~Party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other ~~Parties~~y, 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'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.; ~~†~~The minimum limits for the Employers's Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.

- 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'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 Parties, its ~~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 ~~d~~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 issued s ~~s~~ 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) Calendar dDays 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 dDays 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 the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is rated at investment grade BBB-, or better, as rated by Standard & Poor's. For any period of time that a Party's senior unsecured -debt rating and issuer rating are both is 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 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall not be required to comply with the insurance requirements applicable to it under Articles 18.3.1 through 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 ~~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 Parties ~~y~~ 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 ~~Transmission Provider~~ ISO or Participating

TO, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the ~~Transmission Provider~~ 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 ~~Transmission Provider~~ ISO and Participating TO of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. Any assignment under this 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 ~~Transmission Provider~~ 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

- 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 ~~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 Parties y-receiving the information that the information is confidential.

If requested by either any Party, the other Parties y-shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party 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 Parties y-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, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of 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~~y~~. The disclosure by each Party to the other Parties~~y~~ 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~~The mere fact that a Party has provided ~~ing~~ Confidential Information, ~~neither Party makes any~~ does not constitute a warranty ~~ies~~ or representations 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 Parties~~y~~ 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~~y~~ 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 Parties~~y~~ with prompt notice of such request(s) or requirement(s) so that the other Parties~~y~~ 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~~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~~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 or its Staff.** 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 the Commission 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 either any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112.

**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 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 the ~~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.

**22.1.12** This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

### 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.** ~~Transmission Provider~~ 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 ~~Transmission Provider~~.** The initial information submission by ~~Transmission Provider~~ 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 mutually agreed to by both Parties. On a monthly basis ~~Transmission Provider~~ Participating TO shall provide Interconnection Customer and the ISO a status report on the construction and installation of ~~Transmission Provider's~~ 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. 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~~ the Participating TO and the ISO for the Interconnection Feasibility and Facilities 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~~ the Participating TO and the ISO pursuant to for the Interconnection Studies Agreement between Transmission Provider and Interconnection Customer, then ~~Transmission Provider~~ the Participating TO and the ISO will conduct appropriate studies pursuant to the LGIP to determine the impact on the Transmission Provider 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. Interconnection Customer shall provide validated test recordings showing the responses of Large Electric Generating

FacilityUnit 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 FacilityUnit's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual ~~Large-Electric~~ Generating FacilityUnit terminal or field voltages is provided. ~~Large-Electric~~ Generating FacilityUnit testing shall be conducted and results provided to the ~~Transmission Provider-Participating TO~~ and the ISO for each individual ~~Electric g~~Generating uUnit 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-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 pursuant to Article 5.19 ~~no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.~~

## 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 ~~y~~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** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party 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. ~~Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, the Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, the Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition.~~ 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 ~~Transmission Provider's 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's~~ 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

**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 ~~Transmission Provider~~ 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 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**

**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] JOINT OPERATING COMMITTEE~~**

~~**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 the 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

**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 the ~~Transmission Provider~~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 ~~both~~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 ~~both~~ 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 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.

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.

~~under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and~~ 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~~ 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~~ 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~~ among the Parties.

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

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ 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 A  
To LGIA**

**Interconnection Facilities, Network Upgrades and Distribution Upgrades**

**1. Interconnection Facilities:**

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

**(b) [insert ~~Transmission Provider's~~ 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 ~~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. The ~~Commission~~ 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 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 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:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

ISO:

[To be supplied.]

| **Alternative Forms of Delivery of Notices (telephone, facsimile or e-mail):**

| Transmission Provider/ISO:

[To be supplied.]

| Participating TO:

[To be supplied.]

| Interconnection Customer:

[To be supplied.]

**Appendix G**  
**To LGIA**

**Reliability Management System Agreement**

**STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)**

**[INTERCONNECTION CUSTOMER]**

**[PARTICIPATING TO]**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

## TABLE OF CONTENTS

<b>ARTICLE 1. DEFINITIONS</b> .....	2
<b>ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION</b> .....	9
2.1 Effective Date.....	9
2.2 Term of Agreement .....	9
2.3 Termination Procedures .....	9
2.3.1 Written Notice .....	9
2.3.2 Default .....	10
2.3.3 Suspension of Work.....	10
2.4 Termination Costs .....	10
2.4.1 .....	10
2.4.2 .....	10
2.4.3 .....	11
2.5 Disconnection.....	11
2.6 Survival.....	11
<b>ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE</b> .....	11
3.1 Filing.....	11
3.2 Agreement Subject to ISO Tariff .....	12
3.3 Relationship Between this LGIA and the ISO Tariff .....	12
<b>ARTICLE 4. SCOPE OF SERVICE</b> .....	12
4.1 Interconnection Service.....	12
4.2 Provision of Service.....	12
4.3 Generator Balancing Service Arrangements .....	12
4.4 Performance Standards .....	12
4.5 No Transmission Service .....	13
4.6 Interconnection Customer Provided Services .....	13
<b>ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION</b> .....	13
5.1 Options.....	13
5.1.1 Standard Option .....	13
5.1.2 Alternate Option.....	13
5.1.3 Option to Build .....	14
5.1.4 Negotiated Option.....	14
5.2 General Conditions Applicable to Option to Build .....	15
5.3 Liquidated Damages .....	16
5.4 Power System Stabilizers.....	17
5.5 Equipment Procurement.....	18
5.5.1 .....	18
5.5.2 .....	18
5.5.3 .....	18

5.6	Construction Commencement.....	18
	5.6.1 .....	18
	5.6.2 .....	18
	5.6.3 .....	18
	5.6.4 .....	18
5.7	Work Progress .....	19
5.8	Information Exchange .....	19
5.9	Limited Operation.....	19
5.10	Interconnection Customer's Interconnection Facilities .....	19
	5.10.1 Large Generating Facility Specifications .....	19
	5.10.2 Participating TO's and ISO's Review.....	20
	5.10.3 Interconnection Customer's Interconnection Facilities Construction .....	20
	5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook .....	21
5.11	Participating TO's Interconnection Facilities Construction.....	21
5.12	Access Rights.....	21
5.13	Lands of Other Property Owners.....	21
5.14	Permits .....	22
5.15	Early Construction of Base Case Facilities.....	22
5.16	Suspension .....	22
5.17	Taxes .....	23
	5.17.1 Interconnection Customer Payments Not Taxable .....	23
	5.17.2 Representations And Covenants.....	23
	5.17.3 Indemnification for Taxes Imposed Upon Participating TO .....	24
	5.17.4 Tax Gross-Up Amount.....	25
	5.17.5 Private Letter Ruling or Change or Clarification of Law .....	25
	5.17.6 Subsequent Taxable Events.....	26
	5.17.7 Contests .....	26
	5.17.8 Refund.....	27
	5.17.9 Taxes Other Than Income Taxes .....	28
5.18	Tax Status .....	29
5.19	Modification .....	29
	5.19.1 General.....	29
	5.19.2 Standards .....	30
	5.19.3 Modification Costs .....	30
<b>ARTICLE 6.</b>	<b>TESTING AND INSPECTION .....</b>	<b>30</b>
6.1	Pre-Commercial Operation Date Testing and Modifications .....	30
6.2	Post-Commercial Operation Date Testing and Modifications.....	30
6.3	Right to Observe Testing.....	31
6.4	Right to Inspect .....	31
<b>ARTICLE 7.</b>	<b>METERING .....</b>	<b>31</b>
7.1	General .....	31
7.2	Check Meters .....	31

7.3	Participating TO Retail Metering.....	32
<b>ARTICLE 8.</b>	<b>COMMUNICATIONS.....</b>	<b>32</b>
8.1	Interconnection Customer Obligations .....	32
8.2	Remote Terminal Unit .....	32
8.3	No Annexation.....	33
<b>ARTICLE 9.</b>	<b>OPERATIONS.....</b>	<b>33</b>
9.1	General .....	33
9.2	Control Area Notification .....	33
9.3	ISO and Participating TO Obligations .....	33
9.4	Interconnection Customer Obligations .....	34
9.5	Start-Up and Synchronization .....	34
9.6	Reactive Power .....	34
9.6.1	Power Factor Design Criteria .....	34
9.6.2	Voltage Schedules.....	34
9.6.2.1	Governors and Regulators .....	35
9.6.3	Payment for Reactive Power .....	35
9.7	Outages and Interruptions.....	36
9.7.1	Outages .....	36
9.7.1.1	Outage Authority and Coordination .....	36
9.7.1.2	Outage Schedules.....	36
9.7.1.3	Outage Restoration .....	37
9.7.2	Interruption of Service.....	37
9.7.2.1	.....	37
9.7.2.2	.....	37
9.7.2.3	.....	37
9.7.2.4	.....	37
9.7.2.5	.....	38
9.7.3	Under-Frequency and Over-Frequency Conditions .....	38
9.7.4	System Protection and Other Control Requirements .....	38
9.7.4.1	System Protection Facilities .....	38
9.7.4.2	.....	38
9.7.4.3	.....	39
9.7.4.4	.....	39
9.7.4.5	.....	39
9.7.4.6	.....	39
9.7.5	Requirements for Protection .....	39
9.7.6	Power Quality.....	40
9.8	Switching and Tagging Rules.....	40
9.9	Use of Interconnection Facilities by Third Parties .....	40
9.9.1	Purpose of Interconnection Facilities .....	40
9.9.2	Third Party Users .....	40
9.10	Disturbance Analysis Data Exchange .....	41

<b>ARTICLE 10. MAINTENANCE .....</b>	<b>41</b>
10.1 Participating TO Obligations.....	41
10.2 Interconnection Customer Obligations .....	41
10.3 Coordination.....	41
10.4 Secondary Systems .....	41
10.5 Operating and Maintenance Expenses .....	42
<b>ARTICLE 11. PERFORMANCE OBLIGATION .....</b>	<b>42</b>
11.1 Interconnection Customer's Interconnection Facilities .....	42
11.2 Participating TO's Interconnection Facilities.....	42
11.3 Network Upgrades and Distribution Upgrades .....	42
11.4 Transmission Credits.....	42
11.4.1 Refund of Amounts Advanced for Network Upgrades .....	42
11.4.2 Special Provisions for Affected Systems .....	43
11.4.3 .....	43
11.5 Provision of Security.....	43
11.5.1 .....	44
11.5.2 .....	44
11.5.3 .....	44
11.6 Interconnection Customer Compensation .....	44
11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.....	44
<b>ARTICLE 12. INVOICE.....</b>	<b>44</b>
12.1 General .....	44
12.2 Final Invoice .....	45
12.3 Payment .....	45
12.4 Disputes .....	45
<b>ARTICLE 13. EMERGENCIES.....</b>	<b>46</b>
13.1 [Reserved].....	46
13.2 Obligations .....	46
13.3 Notice .....	46
13.4 Immediate Action .....	46
13.5 ISO and Participating TO Authority .....	46
13.5.1 General.....	46
13.5.2 Reduction and Disconnection .....	47
13.6 Interconnection Customer Authority .....	47
13.7 Limited Liability.....	48
<b>ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAWS.....</b>	<b>48</b>
14.1 Regulatory Requirements.....	48
14.2 Governing Law .....	48
14.2.1 .....	48
14.2.2 .....	48
14.2.3 .....	48



<b>ARTICLE 15. NOTICES</b> .....	49
15.1 General .....	49
15.2 Billings and Payments .....	49
15.3 Alternative Forms of Notice .....	49
15.4 Operations and Maintenance Notice .....	49
<b>ARTICLE 16. FORCE MAJEURE</b> .....	49
16.1 Force Majeure .....	49
16.1.1 .....	49
16.1.2 .....	49
<b>ARTICLE 17. DEFAULT</b> .....	50
17.1 Default .....	50
17.1.1 General .....	50
17.1.2 Right to Terminate .....	50
<b>ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE</b> .....	50
18.1 Indemnity .....	50
18.1.1 Indemnified Party .....	50
18.1.2 Indemnifying Party .....	51
18.1.3 Indemnity Procedures .....	51
18.2 Consequential Damages .....	52
18.3 Insurance .....	52
18.3.1 .....	52
18.3.2 .....	52
18.3.3 .....	52
18.3.4 .....	53
18.3.5 .....	53
18.3.6 .....	53
18.3.7 .....	53
18.3.8 .....	53
18.3.9 .....	53
18.3.10 .....	54
18.3.11 .....	54
<b>ARTICLE 19. ASSIGNMENT</b> .....	54
19.1 Assignment .....	54
<b>ARTICLE 20. SEVERABILITY</b> .....	55
20.1 Severability .....	55
<b>ARTICLE 21. COMPARABILITY</b> .....	55
21.1 Comparability .....	55

<b>ARTICLE 22. CONFIDENTIALITY .....</b>	<b>55</b>
22.1 Confidentiality.....	55
22.1.1 Term .....	55
22.1.2 Scope.....	55
22.1.3 Release of Confidential Information.....	56
22.1.4 Rights.....	56
22.1.5 No Warranties.....	56
22.1.6 Standard of Care .....	56
22.1.7 Order of Disclosure.....	57
22.1.8 Termination of Agreement .....	57
22.1.9 Remedies.....	57
22.1.10 Disclosure to FERC or its Staff .....	57
22.1.11 .....	58
22.1.12 .....	58
 <b>ARTICLE 23. ENVIRONMENTAL RELEASES .....</b>	 <b>58</b>
23.1 .....	58
 <b>ARTICLE 24. INFORMATION REQUIREMENTS .....</b>	 <b>59</b>
24.1 Information Acquisition .....	59
24.2 Information Submission by Participating TO .....	59
24.3 Updated Information Submission by Interconnection Customer .....	59
24.4 Information Supplementation .....	60
 <b>ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS.....</b>	 <b>60</b>
25.1 Information Access.....	60
25.2 Reporting of Non-Force Majeure Events .....	61
25.3 Audit Rights .....	61
25.3.1 .....	61
25.3.2 .....	61
25.4 Audit Rights Periods.....	61
25.4.1 Audit Rights Period for Construction-Related Accounts and Records.....	61
25.4.2 Audit Rights Period for All Other Accounts and Records.....	62
25.5 Audit Results .....	62
25.5.1 .....	62
 <b>ARTICLE 26. SUBCONTRACTORS .....</b>	 <b>62</b>
26.1 General .....	62
26.2 Responsibility of Principal .....	63
26.3 No Limitation by Insurance.....	63
 <b>ARTICLE 27. DISPUTES .....</b>	 <b>63</b>
27.1 Submission.....	63
27.2 External Arbitration Procedures .....	63

27.3	Arbitration Decisions .....	64
27.4	Costs .....	64
<b>ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS .....</b>		<b>64</b>
28.1	General .....	64
28.1.1	Good Standing .....	64
28.1.2	Authority .....	65
28.1.3	No Conflict .....	65
28.1.4	Consent and Approval .....	65
<b>ARTICLE 29. [RESERVED] .....</b>		<b>65</b>
<b>ARTICLE 30. MISCELLANEOUS .....</b>		<b>65</b>
30.1	Binding Effect .....	65
30.2	Conflicts .....	65
30.3	Rules of Interpretation .....	65
30.4	Entire Agreement .....	66
30.5	No Third Party Beneficiaries .....	66
30.6	Waiver .....	66
30.7	Headings .....	67
30.8	Multiple Counterparts .....	67
30.9	Amendment .....	67
30.10	Modification by the Parties .....	67
30.11	Reservation of Rights .....	67
30.12	No Partnership .....	68
30.13	Joint and Several Obligations .....	68
<b>Appendices .....</b>		<b>70</b>
<b>Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades</b>		
<b>Appendix B Milestones</b>		
<b>Appendix C Interconnection Details</b>		
<b>Appendix D Security Arrangements Details</b>		
<b>Appendix E Commercial Operation Date</b>		
<b>Appendix F Addresses for Delivery of Notices and Billings</b>		
<b>Appendix G Reliability Management System Agreement</b>		

**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 Date** of an Electric Generating Unit shall mean the date on which Interconnection Customer commences commercial operation of the Electric Generating Unit at the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in 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 NERC.

**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 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 an act of negligence or intentional wrongdoing.

**Generating Facility** shall mean 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 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 and 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 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 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. 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.** This LGIA may be terminated as follows:

**2.3.1 Written Notice.** The Interconnection Customer may terminate this LGIA after giving the ISO and Participating TO ninety (90) Calendar Days advance written notice; or

**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.

Notwithstanding the foregoing, 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 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 Interconnection Customer elects not to authorize such cancellation, 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 Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Participating TO for any or all such costs of materials or equipment not taken by Interconnection Customer, Participating TO shall promptly refund such amounts to 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** Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to

accept delivery of, in which case 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. Any information related to studies for interconnection asserted by Interconnection Customer to contain competitively sensitive commercial or financial information shall be maintained by the Participating TO and ISO and identified as "confidential" under seal stating that Interconnection Customer asserts such information is Confidential Information and has requested such information be kept under seal. If requested by the Participating TO or ISO, Interconnection Customer shall provide the Participating TO or ISO, in writing, with the Interconnection Customer's basis for asserting that the information referred to in this Article 3.1 is competitively sensitive information, and the Participating TO or ISO may disclose such writing to the appropriate Governmental Authority. Interconnection Customer shall be responsible for the costs associated with affording confidential treatment of such information. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with Participating TO and ISO with respect to such filing and to provide any information reasonably

requested by 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 FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]**

#### **ARTICLE 4. SCOPE OF SERVICE**

**4.1 Interconnection Service.** Interconnection Service allows 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 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 in and of itself convey any transmission service.

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 Generator Balancing Service Arrangements.** Interconnection Customer must comply with the provisions of the ISO Tariff governing imbalance energy.

**4.4 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.

- 4.5 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.
- 4.6 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, 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 Interconnection Customer are acceptable to the Participating TO, the Participating TO shall so notify 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 Participating TO subsequently fails to complete 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; Participating TO shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by 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 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, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Participating TO's Interconnection Facilities and Stand Alone Network Upgrades. 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, 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, Interconnection Customer shall so notify Participating TO within thirty (30) Calendar Days, 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 Interconnection Customer) pursuant to which 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, 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 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) 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 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, 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 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 Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) If the Interconnection Customer retains ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, the Interconnection Customer shall transfer control of Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO and shall become a party to the Transmission Control Agreement with regard to the Stand Alone Network Upgrades;

If the Interconnection Customer transfers ownership of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades to the Participating TO, then 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.

(9) 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, which operation and maintenance shall be provided in accordance with a separate agreement between the Interconnection Customer and the Participating TO; and

(10) 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.

**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 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 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.

No liquidated damages shall be paid to Interconnection Customer if: (1) 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 Participating TO's or ISO'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 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.

**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 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 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.** 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 Specifications.** 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 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 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 telemetry, communications, 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. 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 and its agents 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 Interconnection Customer or Participating TO, the Participating TO shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf, 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. Upon receipt of a reasonable siting request, Participating TO shall provide siting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.

- 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, 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.** Interconnection Customer may request Participating TO to construct, and 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.** 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 Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA with the condition that the Participating TO and ISO 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, 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 Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Participating TO shall obtain Interconnection Customer's authorization to do so.

The Participating TO shall invoice 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 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.

## **5.17 Taxes.**

**5.17.1 Interconnection Customer Payments Not Taxable.** The Parties intend that all payments or property transfers made by Interconnection Customer to 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, 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 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 during each of the first ten (10) years after the Commercial Operation Date, 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, Interconnection Customer shall provide the Participating TO with a report from an independent engineer confirming its representation in clause (iii), above. Participating TO represents and covenants that the cost of the Participating TO's Interconnection Facilities paid for by 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 Taxes Imposed Upon Participating TO.**

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless the Participating TO from income taxes imposed against the Participating TO as the result of payments or property transfers made by Interconnection Customer to the Participating TO under this LGIA, including income taxes resulting from circumstances described in Article 5.17.6, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Participating TO.

The Participating TO shall not include a gross-up for income taxes in the amounts it charges Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by 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. Unless the Federal Energy Regulatory Commission rules otherwise, the Participating TO may require Interconnection Customer to provide security, in an amount not to exceed the gross-up computed under Article 5.17.4, assuming the payments or property transfers described in this Article 5.17.3 had been includible in the Participating TO's income subject to taxation at the time of transfer. Such security shall be provided in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit) until (x) in the case of a refundable contribution (e.g., an advance for system upgrades), the date the obligation to refund becomes fixed or (y) in the case of a non-refundable contribution (e.g., a contribution for an intertie), the date the risk of subsequent taxability described in Article 5.17.6 no longer exists, as reasonably determined by Participating TO. Interconnection Customer shall reimburse the Participating TO for such taxes 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.

In the event that the Participating TO includes a gross-up upon its own determination that the payments or property transfers should be reported as income subject to taxation, the Interconnection Customer may require the Participating TO to provide security, in a form reasonably acceptable to the Interconnection Customer (such as a parental guarantee or a letter of credit) in an amount equal to the Interconnection Customer's estimated tax liability under this Article 5.17; provided that any expense incurred by the Participating TO to a third party (e.g., bank) in providing such security shall be paid by the Interconnection Customer.

The indemnification obligation shall terminate at the later of (1) the expiration of the 10-year testing period, as contemplated by IRS Notice 88-129, 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.** Interconnection Customer's liability for taxes 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 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 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 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 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 Interconnection Customer to the Participating TO under this LGIA are subject to federal

income taxation. 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 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, Interconnection Customer explicitly acknowledges (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 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 Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. The Participating TO shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request. If the private letter ruling concludes that such transfers or sums are not subject to federal income taxation, or a clarification of or change in law results in the Participating TO determining in good faith that such transfers or sums are not subject to federal income taxation, Parties' obligations regarding a gross-up or security under this Article 5.17 shall be reduced accordingly.

**5.17.6 Subsequent Taxable Events.** If (i) Interconnection Customer Breaches the covenant contained in Section 5.17.2(i), (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Participating TO retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the taxes imposed on 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 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 Interconnection Customer and at Interconnection Customer's sole expense, the Participating TO shall appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, the Participating TO shall 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 Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

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.

The Participating TO will not be required to appeal or seek further review beyond one level of judicial review. At any time during the contest, the Participating TO may agree to a settlement either with 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 Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by 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 Interconnection Customer's consent or any such written advice; however, any such settlement will relieve 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 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 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 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 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 Interconnection Customer to the Participating TO pursuant to this LGIA, the Participating TO shall promptly refund to 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 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)(ii) from the date payment was made by Interconnection Customer to the date the Participating TO refunds such payment to 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 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 Interconnection Customer, and at Interconnection Customer's sole expense, the ISO or Participating TO shall 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 Interconnection Customer may be required to reimburse the ISO or Participating TO under the terms of this LGIA. Interconnection Customer, the ISO, and 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 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, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by 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 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.** 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 under the ISO Tariff. 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 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. Interconnection Customer shall bear the cost of all such testing and modifications. 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. 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 the Participating TO or ISO obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be confidential hereunder.

## **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 Interconnection Customer upon request in accordance with the ISO Tariff by directly polling the ISO's meter data acquisition system. 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.** 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 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 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.** 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. 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. 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 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 Interconnection Customer, or by the Participating TO at 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.** 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. Participating TO at 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. ISO and Participating TO may provide operating instructions to Interconnection Customer consistent with this LGIA and Participating TO and ISO operating protocols and procedures as they may change from time to time. Participating TO and ISO will consider changes to their operating protocols and procedures proposed by Interconnection Customer.

- 9.4 Interconnection Customer Obligations.** 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. 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. 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.** 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.
- 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 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 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. 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 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, 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. 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 Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from an Electric Generating Unit only in those instances where the ISO requests the Interconnection Customer to operate its Electric

Generating Unit outside the agreed upon dead band as specified in Article 9.6.1. 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. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the ISO in accordance with the ISO Tariff. Interconnection Customer shall update its planned maintenance schedules in accordance with the ISO Tariff. The ISO may request 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 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. 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 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 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 Interconnection Customer in advance regarding the timing of such



scheduling and further notify 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. 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.** 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. Participating TO shall install at 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, 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 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.

Interconnection Customer shall be responsible for protection of the Large Generating Facility and 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.

Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and 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, 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 Participating TO, all third party users, and 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 Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Participating TO, all third party users, and 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.** 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.** 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, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Participating TO's Interconnection Facilities.

## **ARTICLE 11. PERFORMANCE OBLIGATION**

- 11.1 Interconnection Customer's Interconnection Facilities.** 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.** 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.
- 11.3 Network Upgrades and Distribution Upgrades.** 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 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 FOR THIS LGIA FOR DETERMINATION BY FERC OF THE APPROPRIATE TERMS.]**

**11.4.1 Refund of Amounts Advanced for Network Upgrades.** Upon the Commercial Operation Date, the Interconnection Customer shall be entitled to a refund, 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 related

tax gross-up or other tax-related payments not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to 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 refund 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) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a refund of such payment. Interconnection Customer may assign such refund 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 payment of refunds 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 payment of refunds 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 refunds 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, Interconnection Customer shall provide Participating TO, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to 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 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 Participating TO under this LGIA during its term.

In addition:

- 11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from 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 Participating TO and must specify a reasonable expiration date.
  - 11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Participating TO and must specify a reasonable expiration date.
- 11.6 Interconnection Customer Compensation.** If the ISO requests or directs 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 Interconnection Customer in accordance with the ISO Tariff.
- 11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.** The ISO shall compensate Interconnection Customer in accordance with the ISO Tariff for its provision of real and reactive power and other Emergency Condition services that 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, 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 Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Participating TO shall refund to Interconnection Customer any amount by which the actual payment by 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 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 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 Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between Interconnection Customer and the Participating TO, the Participating TO and the ISO shall continue to provide Interconnection Service under this LGIA as long as 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 Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to 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)(ii). 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 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 Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. 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 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 Interconnection Customer's reasonable judgment, immediate action is required, 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 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 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 whatever 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. Interconnection Customer shall not be obligated to follow the ISO's or Participating TO's instructions to the extent the instruction would have a material adverse impact on the safe and reliable operation of Interconnection Customer's Large Generating Facility. Upon request, Interconnection Customer shall provide the ISO and Participating TO with documentation of any such alleged material adverse impact.

- 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 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.

### **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 either Party to the other 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 Default, the affected non-defaulting Party(ies) shall give written notice of such Default to the defaulting Party. Except as provided in Article 17.1.2, the defaulting Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) Calendar Days, the defaulting 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 Default specified in such notice shall cease to exist.

**17.1.2 Right to Terminate.** If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, the affected non-defaulting Party(ies) shall have the right to terminate this 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 defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this LGIA.

## **ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE**

**18.1 Indemnity.** Each Party shall at all times indemnify, defend, and save 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. The minimum limits for the Employer's Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.

**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 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. 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 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall not be required to comply with the insurance requirements applicable to it under Articles 18.3.1 through 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 require any secured party, trustee or mortgagee to 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). 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 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, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of 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 or its Staff.** 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.

**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.

**22.1.12** This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

## **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 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 mutually agreed to by both Parties. On a monthly basis Participating TO shall provide Interconnection Customer and the ISO a status report on the construction and installation of 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. 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. 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. 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.

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 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:**

Transmission Provider:

[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**

## 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.<sup>1</sup> However, in the unlikely 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.<sup>2</sup> If a PTO or an Interconnection Customer becomes concerned with a

---

<sup>1</sup> 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.

<sup>2</sup> 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.

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.

**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.<sup>3</sup>

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

---

<sup>3</sup> 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."

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 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 was more fully described in its filing on January 20, 2004, (pg. 17-18 transmittal letter). 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 "MD02"), 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 MD02 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 MD02 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 MD02 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 MD02 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 MD02 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 MD02. In addition, the ISO’s MD02 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 MD02 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 recovery 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 MD02, it is simply inappropriate for the ISO to blindly adopt the PJM method for handling Network Upgrades.

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 February 9, 2004, 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 and Section 35.13 of the Commission Regulations, jointly submitted for filing a Standard Large Generator Interconnection Agreement in compliance with Order No. 2003. 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](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically

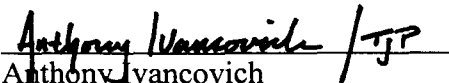
via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date:

## 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 9<sup>th</sup> day of February in the year 2004 at Folsom in the State of California.

  
Anthony Ivancovich  
(916) 351-2144