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November 25, 2008

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

**RE: *California Independent System Operator*
Docket No. ER08-1317-_____**

**Compliance Filing Addressing the CAISO's Generator
Interconnection Process Reform (GIPR)**

Dear Secretary Bose:

The California Independent System Operator Corporation ("CAISO") submits this compliance filing in response to the Commission's September 26, 2008 order in the above-referenced proceeding¹ addressing the CAISO's Generator Interconnection Process Reform ("GIPR").² Because the Commission's directives in the GIPR Order relate to both the CAISO's current market design as well as its upcoming Market Redesign and Technology Upgrade ("MRTU") market design, attached to this filing are revisions to both the currently effective CAISO Tariff as well as the CAISO's MRTU Tariff.

¹ *California Independent System Operator*, 124 FERC ¶ 61,292 (2008) ("GIPR Order").

² Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff and Appendix A to the MRTU Tariff. Although the Commission has approved the current MRTU Tariff, the CAISO has not yet implemented MRTU and therefore the MRTU Tariff is not yet in effect. The CAISO anticipates that it will implement MRTU in early 2009, though the specific date has not been definitively determined.

I. COMMUNICATIONS

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II. CONTENTS OF FILING

This filing comprises:

This transmittal letter;

- Attachment A1: Appendix A and GG to the Currently Effective CAISO Tariff – Clean Sheets Reflecting Compliance Language Changes
- Attachment A2: Section 25, Appendices A, U, V, DD and EE to the Currently Effective CAISO Tariff– Clean Sheets Reflecting New Effective Date
- Attachment A3: Appendix GG to the Currently Effective CAISO Tariff – Large Generator Interconnection Procedures (LGIP) for Interconnection Requests in a Queue Cluster Window - Clean Sheets Reflecting New Effective Date
- Attachment A4: Appendix HH to the Currently Effective CAISO Tariff – Large Generator Interconnection Agreement for the Interconnection Requests in a Queue Cluster Window - Clean Sheets Reflecting New Effective Date

- Attachment B: Appendices A and GG to the Currently Effective CAISO Tariff – Blacklines Reflecting Compliance Changes
- Attachment C: Appendices A and Y to the 4th Replacement MRTU Tariff – Clean Sheets Reflecting Compliance Changes
- Attachment D: Appendices A and Y to the 4th Replacement MRTU Tariff – Blacklines Reflecting Compliance Changes

III. BACKGROUND

A. The Waiver Petition and Order

On May 15, 2008, the CAISO filed the Waiver Petition in Docket No. ER08-960 seeking a one-time waiver of limited provisions of the existing CAISO Tariff governing generator interconnection. The Waiver Petition allowed the CAISO to focus its resources on completing Interconnection Studies and related activities on pending “late stage” and other priority Interconnection Requests, defined in the Waiver Petition as the “Serial Study Group.”³ Interconnection Requests assigned to the Serial Study Group will continue to be studied serially pursuant to existing LGIP timelines. It also proposed to suspend work on other pending Interconnection Requests and included them in either the “Transition Cluster” or the “Initial GIPR Cluster.” On July 14, 2008, the Commission issued an order granting the CAISO’s waiver request.⁴

B. The GIPR Filing

Following the Waiver Petition, the CAISO filed the GIPR proposal on July 28, 2008 to reform the CAISO’s interconnection process on a going-forward basis. The CAISO’s GIPR proposal is a multi-faceted approach to interconnection reform. The GIPR filing outlined the following basic components of the reform proposal:

³ The Serial Study Group consists of certain “late stage” Interconnection Requests, which the CAISO will continue to study serially and pursuant to existing timelines. The CAISO elected to define late stage Interconnection Requests as those that either: (1) had met specific advanced milestones in the current LGIP Interconnection Study process, (2) had a power purchase agreement approved, or pending approval, by the CPUC or Local Regulatory Authority, or (3) were next in queue order to interconnect to any transmission project that has received land use approvals from any local, state, or federal entity, as applicable, up to the capacity studied by the CAISO. The CAISO explained that these criteria were logical and consistent with the Commission’s guidance in the March 20 Order.

⁴ *California Indep. System Operator*, 124 FERC ¶ 61,013 (2008).

- Use of study “clusters” instead of the serial approach to processing interconnection requests;
- Enhancing data requirements for interconnection requests;
- Streamlining the prior three-study approach into two new studies, called the Phase I and Phase II studies;
- Creation of a “cap” on the Interconnection Customer’s liability for Network Upgrades;
- Establishment of enhanced security posting;
- Creation of certain enhanced deposit requirements;
- Elimination of Optional Interconnection Studies and Re-Studies;
- Creation of an accelerated study process for projects that satisfy certain criteria.

C. The CAISO’s Answer

In response to certain comments on and protests of the GIPR filing, the CAISO filed an answer on September 5, 2008. In that answer, the CAISO agreed to make several changes to the GIPR proposal as originally filed. Those changes include the following:

- The CAISO agreed to make a change requested by Southern California Edison (SCE) regarding a condition in Section 9.4.1(c), which allows recovery by an Interconnection Customer of a portion of the financial security upon withdrawal if the PTO’s Interconnection Facilities estimated costs increase by the greater of 30 percent or \$300,000 between the Phase I and Phase II Interconnection Studies. SCE asked the CAISO to clarify that this provision should not hold if the revised estimate for the PTO’s Interconnection Facilities is a result of modifications made by the Interconnection Customer under Section 6.7.2.1(c), which allows modifications by the Interconnection Customer to “modify[ing] the interconnection configuration.” The CAISO agreed that this clarification is warranted and will make the necessary tariff changes on compliance.
- Also at the request of SCE, the CAISO agrees to clarify Section 9.1 regarding in whose name the Interconnection Financial Security should be provided. SCE requested, and the CAISO agreed, that this Section be modified to make clear that security provisions are in favor of the applicable PTOs.
- In response to Macquarie’s requested clarification that Interconnection Customers be able to change their requested deliverability status from “Full Capacity” to “Energy-only” prior to the commencement of the Phase

II Interconnection Study, the CAISO noted that it had already included this provision directly in the *pro forma* Large Generator Interconnection Study Process Agreement (“LGISPA”) as an option available to the Interconnection Customer when it submits the information specified in Appendix B to the LGISPA required prior to the Phase II study. However, in order to provide additional clarity, the CAISO agreed to repeat this option in the GIPR LGIP.

- In response to PG&E, the CAISO agreed to clarify the definition of “Interconnection Base Case Data” to include the following language (in bold):
*Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists **and automated contingency files**, including relevant Remedial Action Schemes, **Operating Procedures**, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. . . .*
- In response to LS/Tenaska, the CAISO agreed to clarify that the CAISO and the PTO must justify deviations from benchmark per-unit costs.
- Finally, in response to SCE, the CAISO agreed that the PTOs and the CAISO should not to be obliged to identify the Interconnection Customer’s Interconnection Facilities, or costs of the facilities that the Interconnection Customer will construct and own. The CAISO agreed to remove the phrase “and Interconnection Customer’s Interconnection Facilities” be removed from items (vi) and (vii) of the first paragraph of GIPR LGIP Section 7.1 on compliance.

D. The GIPR Order

On September 26, 2008, the Commission issued the GIPR Order. In the GIPR Order, the Commission approved the GIPR proposal, subject to certain compliance requirements addressed immediately below.

IV. TARIFF CHANGES MADE PURSUANT TO GIPR ORDER

In the GIPR Order, the Commission imposed several compliance obligations on the CAISO requiring changes to both the currently effective CAISO Tariff as well as the CAISO’s MRTU Tariff.

At Paragraph 90 of the GIPR Order, the Commission ordered the CAISO to include the phrases "Automated Contingency files" and "Operating Procedures" in the tariff definition of "Interconnection Base Case Data," as suggested by PG&E. In compliance, the CAISO has incorporated this change into Appendix A of both the currently effective CAISO Tariff and the MRTU Tariff.

Also in Paragraph 90, the Commission ordered the CAISO to modify its tariff to clarify that an interconnection customer has the opportunity to change its deliverability status from full capacity deliverability status to energy only deliverability status after the preliminary cost estimate for network upgrades comes out in the Phase I Interconnection Study but before the finalization of costs in the Phase II Interconnection Study. In accordance with this directive, the CAISO has inserted a new first paragraph into Section 7.1 of both Current Tariff Appendix GG and MRTU Tariff Appendix Y to provide that the interconnection customer shall submit a form to the CAISO prior to the commencement of the Phase II Interconnection Study in which the customer can either confirm its selected deliverability status or change its status from Full Capacity Deliverability Status to Energy-Only Deliverability Status. The CAISO has also added a definition to Appendix A (for both the currently effective and MRTU Tariffs) to more clearly define "Energy-Only Deliverability Status."

At paragraph 91 of the GIPR Order, the Commission directed the CAISO to clarify GIPR LGIP Section 7 regarding the assessments used in the Phase II studies to allow an interconnection customer to interconnect on an interim energy-only basis if Delivery Network Upgrades have not been completed by the Commercial Operation Date. In compliance with that directive, the CAISO has added language to Section 7.1 in Appendix GG (currently effective Tariff) and Appendix Y (MRTU Tariff) to provide that if it is determined that Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, then operating procedures necessary to allow the project to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades are completed and placed into service.

At paragraph 129 of the GIPR Order, the Commission required the CAISO to add tariff language to clarify that deviations from benchmark per unit costs will be permitted when appropriately justified. Accordingly, the CAISO has revised Section 6.4 to Appendix GG (Current Tariff) and Appendix Y (MRTU Tariff) to state that such changes will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination as a result of the deviation.

At paragraph 132 of the GIPR Order, the Commission ordered the CAISO to revise the GIPR LGIP provision to include a reasonable schedule for the release and review of per unit costs. The CAISO has developed this schedule for the release of per-unit costs and revised Section 6.4 of Appendix GG (currently effective Tariff) and Appendix Y (MRTU Tariff) to reference this schedule and added an Appendix 5, consisting of the schedule itself, to each appendix. This new Appendix 5 contains the

2009 release schedule for per-unit costs, which largely encompasses the first quarter of 2009. It also includes a more general calendar for subsequent years roughly following the same timeframe.

At paragraph 175 of the GIPR Order, in response to SCE's request for clarification of the security provisions in favor of the PTO, the Commission accepted the CAISO's offer to revise sections d, e, and f of GIPR LGIP 9.1⁵ to provide that, consistent with current practice, security recovery provisions will be in favor of the specific PTO. In compliance, the CAISO has modified Sections 9.1 (d), (e) (f) in Appendix GG (currently effective Tariff) and Appendix Y (MRTU Tariff) to make listed securities in favor of the PTO, and removed references to the CAISO.

Also at paragraph 175 of the GIPR Order, in response to the SCE request for clarification, the Commission accepted the CAISO's offer to clarify on compliance that if an increase by the greater of 30 percent or \$300,000 in the estimated costs of a PTO's interconnection facilities is a result of a modification made by the interconnection customer to the interconnection configuration, recovery of financial security upon the customer's withdrawal from the interconnection process would not be allowed. Accordingly, this change is now reflected in Section 9.4.1(c) in both Appendix GG to the currently effective Tariff and appendix Y to the MRTU Tariff.

At paragraph 181 of the GIPR Order, in response to the CPUC's request for clarification that the deliverability assessments will be redone during the Phase II Interconnection Study to assure that customers will achieve the deliverability level requested at the end of the Phase I Interconnection Study, the Commission found that the tariff does not explicitly state that the interconnection customer will be provided the deliverability level requested at the end of the Phase I Interconnection Study and reflected in customer's financial security deposit responsibilities for Delivery Network Upgrades. The Commission directed the CAISO to make this clarification in its compliance filing. As noted above, the CAISO has inserted a new first paragraph into Section 7.1 of both Current Tariff Appendix GG and MRTU Tariff Appendix Y to provide that the interconnection customer shall submit a form to the CAISO prior to the commencement of the Phase II Interconnection Study in order to confirm its requested deliverability status, or to change its deliverability status from full capacity to energy only.

At paragraph 206 of the GIPR Order, the Commission agreed with SCE that there may be a significant administrative burden in processing LGIAs for all of the interconnection customers in a cluster group at once and therefore granted an extension from 15 to 30 days to tender LGIAs. Accordingly, the CAISO has changed Section 11.1.1 from 15 Business Days to 30 Calendar Days in Appendix GG (currently effective) and Appendix Y (MRTU Tariff).

⁵ The GIPR Order mistakenly refers to Section 9.4.1.

Finally, the GIPR Order conditionally accepted the proposed tariff amendments effective September 26, 2008. Accordingly, the CAISO has resubmitted all tariff sheet pages of the tariff amendment for the currently effective tariff to conform the effective date to the effective date of the GIPR Order.

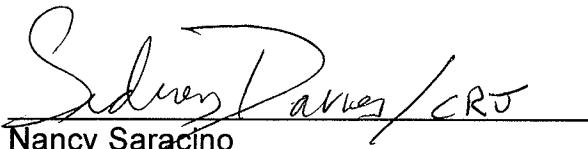
V. QUARTERLY FILING OBLIGATION

In Paragraph 200 of the GIPR Order, the Commission directed the CAISO to file quarterly reports containing the following information: (1) the number of interconnection requests filed, accepted and rejected; (2) the number and type of studies conducted, *i.e.*, accelerated, separately studied, or cluster, along with the number and types of interconnection customers in each cluster; (3) any missed study deadline(s) at each stage of the process; and (4) any withdrawals (along with the reason for the withdrawal) from the queue by interconnection customers. The Commission did not identify a specific date for the filing of these reports. The CAISO, therefore, informs the Commission and interested parties that it plans to file the first such report by January 30 of 2009. This report will include the types of information requested by the Commission for the period beginning with the effective date of GIPR through the end of 2008. Subsequent reports will be filed 30 days after the end of each quarter.

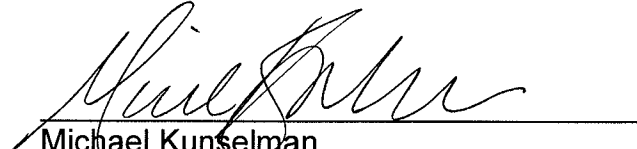
VI. CONCLUSION

For the reasons set forth above, the CAISO respectfully requests that the Commission accept this filing and find it satisfies the compliance obligations contained in the GIPR Order.

Respectfully submitted,



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Counsel for the California Independent
System Operator Corporation

Dated: November 25, 2008

CERTIFICATE OF SERVICE

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

Dated at Washington, D.C. this 25th day of November, 2008.



Christopher R. Jones

Attachment A1 – Clean Sheets
Generation Interconnection Process Reform Amendment Filing
Currently Effective CAISO Tariff
November 25, 2008

<u>End-User</u>	Load directly connected to the ISO Controlled Grid or to a Distribution System and who does not resell the power.
<u>End-Use Meter Data</u>	Meter Data that measures the Energy consumption in respect of End-Users gathered, edited and validated by Scheduling Coordinators and submitted to the ISO in Settlement quality form.
<u>End-Use Meter</u>	A metering device collecting Meter Data with respect to the Energy consumption of an End-User.
<u>Energy</u>	The electrical energy produced, flowing or supplied by generation, transmission or distribution facilities, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof, e.g., 1,000 Wh=1kWh, 1,000 kWh=1MWh, etc.
<u>Energy Bid</u>	The price at or above which a Generator has agreed to produce the next increment of Energy.
<u>Energy-Only Deliverability Status</u>	A condition elected by an Interconnection Customer for a Large Generating Facility interconnected with the CAISO Controlled Grid the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Large Generating Facility will be deemed to have a Net Qualifying Capacity of zero, and, therefore, cannot be considered to be a Resource Adequacy Resource.
<u>Energy Resource Area (ERA)</u>	A geographic region certified by the California Public Utilities Commission and the California Energy Commission as an area in which multiple LCRIGs could be located, provided that, for the interim period before those agencies certify such areas and for LCRIFs that are proposed to connect LCRIGs located outside the State of California, an Energy Resource Area shall mean a geographic region that would be connected to the CAISO Controlled Grid by an LCRIF with respect to which the CAISO Governing Board determines that all of the requirements of Section 24.1.3 are satisfied, except for the requirement that the LCRIGs to which the LCRIF would connect are located in an area certified as an ERA by those agencies.

Energy Transmission

Services Net Energy

Charge

The component of the Grid Management Charge that provides, in conjunction with the Energy Transmission Services Uninstructed Deviations Charge, for the recovery of the ISO's costs of providing reliability on a scalable basis, i.e., a function of the intensity of the use of the transmission system within the Control Area and the occurrence of system outages and disruptions. The formula for determining the Energy Transmission Services Net Energy Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Interconnection

Transmission facilities, other than additions or replacements to existing facilities that: i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally separate from the ISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; or ii) are identified as radial transmission lines pursuant to contract; or iii) produce Generation at a single point on the ISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the ISO's Operational Control of the Participating TO's portion of the ISO Controlled Grid.

Interconnection Agreement

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

Interconnection Base Case Data

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 in Appendix EE and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4 in Appendix EE.

13.2 Delegation of Responsibility

13.3 [NOT USED]

13.4 [NOT USED]

13.5 Disputes

13.5.1 Submission

13.5.2 External Arbitration Procedures

13.5.3 Arbitration Decisions

13.5.4 Costs

13.6 Local Furnishing Bonds

13.6.1 Participating TOs That Own Facilities Financed by Local Furnishing Bonds

13.6.2 Alternative Procedures for Requesting Interconnection Service

13.7 Change in CAISO Operational Control

Appendix 1 Interconnection Request

**Appendix 2 Large Generator Interconnection Procedures (LGIP)
Relating to the Transition Cluster**

**Appendix 3 *Pro Forma* Large Generator Interconnection Study
Process Agreement (LGISPA)**

Appendix 4 *Pro Forma* Roles and Responsibilities Agreement

Appendix 5 Schedule for Release and Review of Per Unit Costs

6.4 Use of Per Unit Costs to Estimate Network Upgrade Costs.

Prior to the commencement of the initial Queue Cluster Window for each calendar year, each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems. These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a PTO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Reliability Network Upgrades, Delivery Network Upgrades and Participating TO's Interconnection Facilities under this LGIP Section 6. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

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

6.5 Phase I Interconnection Study Costs Form the Basis of Interconnection Financial Security.

The costs assigned to Interconnection Customers for Network Upgrades under this Section 6 of the LGIP shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Participating TO's Interconnection Facilities under this Section 6 of the LGIP are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9.2.

6.6 Phase I Interconnection Study Procedures.

The CAISO shall coordinate the Phase I Interconnection Study with applicable Participating TO(s) pursuant to LGIP Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report at a maximum within two hundred forty (240) Calendar Days after the close of the Queue Cluster Window and approximately one hundred eighty Calendar Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under LGIP Section 13.2. The

6.7.2.2 For any modification other than those specifically permitted by LGIP Section 6.7.2.1, the Interconnection Customer may first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this LGIP Section 6.7.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Section 7 Phase II Interconnection Study.

7.1 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Large Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Large Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities, (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Large Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Large Generating Facility are completed and placed into service.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Interconnection Customer's Interconnection Facilities to the CAISO Controlled Grid. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

7.6. Accelerated Phase II Interconnection Study Process.

The Phase II Interconnection Study shall be completed within one hundred fifty (150) calendar days following the posting of the initial Interconnection Financial Security under LGIP Section 9 where the Interconnection Request meets the following criteria: (i) the Interconnection Request was not grouped with any other Interconnection Requests during the Phase I Interconnection Study or was identified as interconnecting to a point of available transmission during the Phase I Interconnection Study, and (ii) the Interconnection Customer is able to demonstrate that the general Phase II Interconnection Study timeline under LGIP Section 7.5 is not sufficient to accommodate the Commercial Operation Date of the Large Generating Facility.

In addition to the above criteria, the CAISO may apply to FERC in coordination with the Interconnection Customer for a waiver of the timelines in this LGIP to meet the schedule required by an order, ruling, or regulation of the Governor of the State of California, the CPUC, or the CEC.

7.7 Meeting with the CAISO and Applicable Participating TO(s).

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

Section 8 [NOT USED]

Section 9 Interconnection Financial Security.

9.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the applicable Participating TO(s):

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO (s);

- (e) a certificate of deposit in the name of the applicable Participating TO (s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the applicable Participating TO (s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s). The CAISO shall publish and maintain standardized forms related to the types of Interconnection Financial Security listed above on the CAISO Website. The CAISO shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this LGIP Section 9.1, the Interconnection Customer shall provide to the CAISO replacement Interconnection Financial Security meeting the requirements of this LGIP Section 9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the CAISO in an interest-bearing escrow account under subpart (d) of this LGIP Section 9.1 will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis.

9.2 Initial Posting of Interconnection Financial Security.

On or before ninety (90) calendar days after publication of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the CAISO, two separate Interconnection Financial Security instruments (i) in the amount of twenty percent (20%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or \$500,000, whichever is greater, and (ii) in the amount of twenty percent (20%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO's Interconnection Facilities. The failure by an Interconnection Customer to timely post, and notify the CAISO of the posting of, the Interconnection Financial Security required by this LGIP Section 9.2 shall result in the Interconnection Request being deemed withdrawn and subject to LGIP Section 3.8.

9.3 Second Posting of Interconnection Financial Security.

On or before one hundred eighty (180) calendar days after publication of the final Phase II Interconnection Study report or at the start of Construction Activities of Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer must post separate Interconnection Financial Security instruments in the total amount of one hundred percent

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Large Generating Facility.
- (c) **Increase in the Cost of Participating TO's Interconnection Facilities.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.
- (d) **Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

9.4.2 Schedule for Determining Non-Refundable Portion of the Interconnection Financial Security for Network Upgrades.

9.4.2.1 Up to One Hundred Eighty Days After Final Phase II Interconnection Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and on or before one hundred eighty (180) calendar days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1, the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and reimburse the Interconnection Customer in an amount of (i) fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades, or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the applicable Participating TO(s) will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

Section 11 Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

11.1.1 Within thirty (30) Calendar Days after the CAISO provides the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s) and the CAISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved form of LGIA set forth in CAISO Tariff Appendix HH. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

11.1.2 Consistent with LGIP Sections 13.3 and 11.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the LGIA, as appropriately modified.

11.2 Negotiation.

Notwithstanding LGIP Section 11.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the LGIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than ninety (90) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to LGIP Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to LGIP Section 13.5. If the Interconnection Customer requests termination of the negotiations, but, within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to LGIP Section 13.5 within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The applicable Participating TO(s) and CAISO shall provide to the Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

Appendix 5 to LGIP

SCHEDULE FOR RELEASE AND REVIEW OF PER UNIT COSTS

Line	Schedule for the Release and Review of Per Unit Costs for 2009	Anticipated Calendar Date(s)
1.	Participating TOs (PTOs) to develop their draft per unit costs.	11/3/2008 – 1/30/2009
2.	PTOs to provide their draft per unit costs to the CAISO on or before 1/30/09 for CAISO review and posting to the CAISO Website.	1/30/2009
3.	CAISO to review and post the PTO draft per unit costs to the CAISO Website, for Stakeholder review.	2/2/09 – 2/6/09
4.	Provides two weeks for stakeholder review of the posted draft per unit costs.	2/6/09 – 2/20/09
5.	CAISO to schedule and conduct a one-day stakeholder meeting ¹ to discuss the draft per unit costs with the stakeholders.	2/23/09 – 2/27/09
6.	Provides two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.	2/27/09 – 3/13/09
7.	CAISO and PTOs to review and address stakeholder comments. PTOs to review, update as needed, and finalize their per unit costs.	3/16/09 – 3/27/09
8.	PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.	3/27/09
9.	CAISO to review and post the PTO's final per unit costs to the CAISO Website.	3/27/09 – 4/1/09
10.	Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.	4/1/09

¹ Actual date for scheduling of stakeholder meeting will be subject to room and resource availability.

	Annual Review, Update, and Posting of Per Unit Costs after 2009	
11.	PTOs to review and update their per unit costs.	October – mid-January
12.	PTOs to provide their updated per unit costs to the CAISO for CAISO review and posting to the CAISO Website.	Mid-January
13.	CAISO to review and post the PTO per unit costs to the CAISO Website for stakeholder review.	Third week of January
14.	Provide two weeks for stakeholders to review the posted per unit costs.	Last week of January and first week of February
15.	CAISO to schedule and conduct a one-day stakeholder meeting in February to discuss the posted per unit costs with stakeholders.	Second week of February
16.	Provide two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.	Last two weeks of February
17.	Provide two weeks for CAISO and PTOs to review and address stakeholder comments.	First two weeks of March
18.	Provide three weeks following the stakeholder meeting for PTOs to review, update as needed, and finalize their per unit costs.	First three weeks of March
19.	PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.	End of third week of March
20.	CAISO to review and post the PTOs' final per unit costs to the CAISO Website.	Fourth week of March
21.	Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.	Last week of March to first of April

**Attachment A2 – Clean Sheets Reflecting New Effective Date
Generation Interconnection Process Reform Amendment Filing
Currently Effective CAISO Tariff
November 25, 2008**

geographically located.

24.8 Ownership of and Charges for Expansion Facilities.

24.8.1 All transmission additions and upgrades constructed in accordance with this Section 24 shall form part of the ISO Controlled Grid and shall be operated and maintained by a Participating TO in accordance with the Transmission Control Agreement.

24.8.2 Each Participating TO that owns or operates transmission additions and upgrades constructed in accordance with this Section 24 shall provide access to them and charge for their use in accordance with this ISO Tariff and its TO Tariff.

24.9 Expansion by “Local Furnishing” Participating TOs

Notwithstanding any other provision of this ISO Tariff, a Local Furnishing Participating TO shall not be obligated to construct or expand facilities, (including interconnection facilities as described in Section 8 of the TO Tariff) unless the ISO or Project Sponsor has tendered an application under FPA Section 211 that requests FERC to issue an order directing the Local Furnishing TO to construct such facilities pursuant to Section 24 of the ISO Tariff. The Local Furnishing TO shall, within 10 days of receiving a copy of the Section 211 application, waive its right to a request for service under FPA Section 213(a) and to the issuance of a proposed order under FPA Section 212(c). Upon receipt of a final order from FERC that is no longer subject to rehearing or appeal, such Local Furnishing TO shall construct such facilities in accordance with this Section 24.

25 INTERCONNECTION OF GENERATING UNITS AND GENERATING FACILITIES TO THE ISO CONTROLLED GRID.

25.1 Applicability.

This Section 25 and Appendix U (the Standard Large Generator Interconnection Procedures (LGIP)), Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window), Appendix AA (the Small Generator Interconnection Procedures (SGIP)), or Appendix W, as applicable, shall apply to:

- (a) each new Generating Unit that seeks to interconnect to the ISO Controlled Grid;
- (b) each existing Generating Unit connected to the ISO Controlled Grid that will be modified with a

resulting increase in the total capability of the power plant;

(c) each existing Generating Unit connected to the ISO Controlled Grid that will be modified without increasing the total capability of the power plant but has changed the electrical characteristics of the power plant such that its re-energization may violate Applicable Reliability Criteria; and

(d) each existing Qualifying Facility Generating Unit connected to the ISO Controlled Grid whose total Generation was previously sold to a Participating TO or on-site customer but whose Generation, or any portion thereof, will now be sold in the wholesale market, subject to Section 25.1.2 below.

25.1.1 The owner of a Generating Unit described in Section 25.1 (a), (b), or (c), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix U (the LGIP), Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window), Appendix AA (SGIP), or Appendix W, as applicable, which applicability shall be based on the maximum rated capacity of the new total capability of the power plant, including the capability of all multiple energy production devices at a site, consistent with Section 4.10 of the SGIP.

25.1.2 If the owner of a Qualifying Facility described in Section 25.1(d), or its designee, represents that the total capability and electrical characteristics of the Qualifying Facility will be substantially unchanged, then that entity must submit an affidavit to the ISO and the applicable Participating TO representing that the total capability and electrical characteristics of the Qualifying Facility will remain substantially unchanged. If there is any change to the total capability and electrical characteristics of the Qualifying Facility, however, the affidavit shall include supporting information describing any such changes. The ISO and the applicable Participating TO shall have the right to verify whether or not the total capability or electrical characteristics of the qualifying facility have changed or will change.

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

However, the owner of the Qualifying Facility, or its designee, will be required to execute a Standard Large Generator Interconnection Agreement in accordance with Section 11 of Appendix U (the LGIP), a Large Generator Interconnection Agreement in accordance with Section 11 of Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window), a Small Generator Interconnection Agreement in accordance with Section 3.3.4, 3.4.5, or 3.5.7 and Section 4.8 of the SGIP, or an interconnection agreement in accordance with Appendix W, as applicable.

25.1.2.2 If the ISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the Qualifying Facility, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with Appendix U (the LGIP), Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window), Appendix AA (the SGIP), or Appendix W, as applicable.

25.2 Interconnections to the Distribution System.

Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with Appendix U (the Standard Large Generator Interconnection Procedures) and Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window). In addition, each Participating TO will provide to the ISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

25.3 Maintenance of Encumbrances.

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the ISO. The applicable Participating TO, in consultation with the ISO, shall identify any such adverse effect on its Encumbrances in the Interconnection System Impact Study performed under Section 7 of Appendix U (the LGIP), the Phase I Interconnection Study performed under Section 6 of Appendix GG (the LGIP for Interconnection Requests in a Queue Cluster Window), the system impact study performed under Section 3.4 of the SGIP, or the System Impact Study performed under Section 5.1 of Appendix W, as applicable. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

26 TRANSMISSION RATES AND CHARGES.

26.1 Access Charges.

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to

more Scheduling Points. A closed loop of Energy Schedules that includes a transmission segment on the Pacific DC Intertie shall not be a Circular Schedule because such a Schedule directly changes power flows on the network and can mitigate Congestion between SP15 and NP15. This definition of a Circular Schedule does not apply to the circumstance in which a Scheduling Coordinator submits a Schedule that is an amalgam of different Market Participants' separate but simultaneously submitted Schedules.

Clustering

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

The status of a Generating Unit or project phase at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation

Date

The date on which a Generating Unit or project phase at a Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to the Large Generator Interconnection Agreement, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Generating Units or project phases.

Compatible Meter Data

Server

A meter data acquisition and processing system which is capable of passing Meter Data and/or Settlement Quality Meter Data to MDAS via File Transfer Protocol (FTP) and which has been certified by the ISO or its authorized representative.

Congestion

A condition that occurs when there is insufficient Available Transfer Capacity to implement all Preferred Schedules simultaneously or, in real time, to serve all Generation and Demand. "Congested" shall be construed accordingly.

Congestion Management

The alleviation of Congestion in accordance with Applicable ISO Protocols and Good Utility Practice.

Congestion Management Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs of operating the Congestion Management process including, but not limited to, the management and operation of Inter-Zonal Congestion markets, Adjustment Bids, taking Firm Transmission Rights and Existing Contracts into

account, and determining the price for mitigating Congestion for flows on Congested paths. The formula for determining the Congestion Management Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Congestion Revenue

0Defined in Appendix BB.

Right (CRR)

Congestion Zone

1A Zone identified as an Active Zone in Appendix I of the ISO Tariff.

Connected Entity

A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.

Constrained Output

Generating resources with only two viable operating states: (a) off-line or (b) operating at their maximum output level.

Generation

Constraints

Physical and operational limitations on the transfer of electrical power through transmission facilities.

Construction Activities

Actions by a Participating TO that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Participating TO's Interconnection Facilities or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Participating TO's Interconnection Facilities or Network Upgrades.

Contingency

Disconnection or separation, planned or forced, of one or more components from an electrical system.

Control Area

An electric power system (or combination of electric power systems) to which a common AGC scheme is applied in order to: i) match, at all times, the power output of the Generating Units within the electric power system(s), plus the Energy purchased from entities outside the electric power system(s), minus Energy sold to entities outside the electric power system, with the Demand within the electric power system(s); ii) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Control Area Gross Load

For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall not include Energy consumed by:

- (a) Station Power that is netted pursuant to Section 10.1.3; and
- (b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).

FTR Market

A transmission path from an originating Zone to a contiguous receiving Zone for which FTRs are auctioned by the ISO in accordance with Section 36.4 of the ISO Tariff.

Full Capacity

Deliverability Status

The condition whereby a Large Generating Facility interconnected with the CAISO Controlled Grid, under coincident CAISO Control Area peak Demand and a variety of severely stressed system conditions, can deliver the Large Generating Facility's full output to the aggregate of Load on the CAISO Controlled Grid, consistent with the CAISO's reliability criteria and procedures and the CAISO On-Peak Deliverability Assessment.

Full Marginal Loss Rate

A rate calculated by the ISO for each Generation and Scheduling Point location to determine the effect on total system Transmission Losses of injecting an increment of Generation at each such location to serve an equivalent incremental MW of Demand distributed proportionately throughout the ISO Control Area.

Generating Facility

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

Generating Facility Capacity

The net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

GCC

The single point of contact at the grid control center of Southern California Edison Company.

Generating Unit

An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is:

- (a) located within the ISO Control Area;
- (b) connected to the ISO Controlled Grid, either directly or via interconnected transmission, or distribution facilities; and
- (c) that is capable of producing and delivering net Energy (Energy in excess of a generating station's internal power requirements).

Generation

Energy delivered from a Generating Unit.

Generator

The seller of Energy or Ancillary Services produced by a Generating Unit.

GMM (Generation Meter Multiplier)

A number which when multiplied by a Generating Unit's Metered Quantity will give the total Demand to be served from that Generating Unit.

Wheeling Access Charge is payable, 2) Load that is exempt from the Access Charge pursuant to SPP 4.1, and the portion of the Load of an individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customer's site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.

Group Study

The process whereby more than one Interconnection Request is studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

High Voltage Access Charge

The Access Charge applicable under Section 26.1 to recover the High Voltage Transmission Revenue Requirements of each Participating TO in a TAC Area.

High Voltage Transmission Facility

A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the CAISO Operational Control, and that operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers, provided that the High Voltage Transmission Facilities of a Participating TO shall include any Location Constrained Resource Interconnection Facility of that Participating TO that has been turned over to the CAISO's Operational Control.

Interconnection

Transmission facilities, other than additions or replacements to existing facilities that: i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally separate from the ISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; or ii) are identified as radial transmission lines pursuant to contract; or iii) produce Generation at a single point on the ISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the ISO's Operational Control of the Participating TO's portion of the ISO Controlled Grid.

Interconnection

Agreement

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

Interconnection Base Case

Data

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 in Appendix EE and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4 in Appendix EE.

<u>Interconnection Customer</u>	Any entity, including a Participating TO or any of its Affiliates or subsidiaries, that proposes to interconnect its Generating Facility with the ISO Controlled Grid.
<u>Interconnection Customer's Interconnection Facilities</u>	All facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, 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 ISO Controlled Grid. Interconnection Customer's Interconnection Facilities are sole use facilities.
<u>Interconnection Facilities</u>	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 ISO Controlled Grid. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.
<u>Interconnection Facilities Study</u>	A study conducted by the Participating TO(s), 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 ISO Controlled Grid. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.
<u>Interconnection Facilities Study Agreement</u>	The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection Facilities Study.
<u>Interconnection Feasibility Study</u>	A preliminary evaluation conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the ISO Controlled Grid, the scope of which is described in Section

	6 of the Standard Large Generator Interconnection Procedures.
<u>Interconnection Feasibility Study Agreement</u>	The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection Feasibility Study.
<u>Interconnection Financial Security</u>	Any of the financial instruments listed in LGIP Section 9.1 set forth in Appendix GG that are posted by an Interconnection Customer.
<u>Interconnection Handbook</u>	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 Criteria. In the event of a conflict between the terms of the LGIP or SGIP and the terms of the Participating TO's Interconnection Handbook, the terms in the LGIP or SGIP shall apply.
<u>Interconnection Request</u>	An Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures or Attachment 2 to the Small Generator Interconnection Procedures, in accordance with Section 25.1 of the ISO Tariff.
<u>Interconnection Service</u>	The service provided by the Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the ISO Controlled Grid and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement, the Participating TO's TO Tariff, and the ISO Tariff.

Interconnection Study

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures set forth in Appendix U or the Phase I Interconnection Study and the Phase II Interconnection Study described in the LGIP set forth in Appendix GG.

Interconnection Study Cycle

All requirements, actions, and respective obligations of the CAISO, Participating TO, and Interconnection Customer under the LGIP set forth in Appendix GG applicable to an Interconnection Request submitted in a particular Queue Cluster Window through execution by the parties or submission to FERC by one or more of the parties to an LGIA.

Interconnection Study Deposit

The cash deposit provided to the CAISO by Interconnection Customers under LGIP Section 3.5.1 set forth in Appendix GG as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies as set forth in LGIP Sections 3.5.1.2 and 3.5.1.3 set forth in Appendix GG.

Interconnection System Impact Study

An engineering study conducted by the Participating TO(s), 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 ISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were

<u>ISO Website</u>	The ISO internet home page at http://www.caiso.com or such other internet address as the ISO shall publish from time to time.
<u>ISO-WECC Billing Services Agreement</u>	The agreement between the ISO and the WECC entered into by those parties in August 2007, as it may be amended from time to time, regarding the ISO's performance of certain billing services to facilitate the WECC's collection of NERC/WECC Charges.
<u>ISP (Internet Service Provider)</u>	An independent network service organization engaged by the ISO to establish, implement and operate WEnet.
<u>Joint Powers Agreement</u>	An agreement governing a Joint Powers Authority that is subject to the California Joint Exercise of Powers Act (California Government Code, Section 6500, <i>et seq.</i>).
<u>Joint Powers Authority</u>	An authority authorized by law through which two or more public entities jointly exercise their powers.
<u>Large Generating Facility</u>	A Generating Facility having a Generating Facility Capacity of more than 20 MW.
<u>Large Generator Interconnection Agreement (LGIA)</u>	The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, a pro forma version of which is set forth in Appendix V or Appendix HH, as applicable.
<u>Large Generator Interconnection Procedures (LGIP)</u>	The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are set forth in Appendix U or Appendix GG, as applicable.
<u>Large Generator Interconnection Study Process Agreement (LGISPA)</u>	The agreement between the CAISO and the Interconnection Customer for conducting the Interconnection Studies for a proposed Large Generating Facility, a pro forma version of which is accepted by FERC, posted on the CAISO Website, and set forth in Appendix GG.
<u>Large Project</u>	A transmission upgrade or addition that exceeds \$200 million in capital costs and consists of a proposed transmission line or substation facilities capable of operating at voltage levels greater than 200 kV. Location Constrained Resource Interconnection Facilities are not included in this definition, regardless of the capital cost or voltage level of the transmission upgrade or addition. A Large Project may also be a project that does not meet the dollar or voltage level requirement, but that the CAISO determines raises significant policy issues warranting a separate planning process.

<u>LARN Report for 2006</u>	The report, published by the ISO, which identifies each Local Reliability Area for 2006 and the contingencies that require the ISO to specify a geographically contiguous area as a Local Reliability Area, and the amount of generation (in MW) needed for each Local Reliability Area in order to satisfy Applicable Reliability Criteria, taking into account Non-Generation Solutions.
<u>LGIA</u>	Standard Large Generator Interconnection Agreement or Large Generator Interconnection Agreement
<u>LGIP</u>	Standard Large Generator Interconnection Procedures or Large Generator Interconnection Procedures
<u>LGISPA</u>	Large Generator Interconnection Study Process Agreement
<u>Line Loss Correction Factor</u>	The line loss correction factor as set forth in the Technical Specifications.
<u>Load</u>	An end-use device of an End-Use Customer that consumes power. Load should not be confused with Demand, which is the measure of power that a Load receives or requires.
<u>Load-Serving Entity (LSE)</u>	Any entity (or the duly designated agent of such an entity, including, e.g. a Scheduling Coordinator), including a load aggregator or power marketer; (i) serving End Users within the ISO Control Area and (ii) that has been granted authority or has an obligation pursuant to California State or local law, regulation, or franchise to sell electric energy to End Users located within the ISO Control Area or (iii) is a Federal Power Marketing Authority that serves retail Load.
<u>Load Share Quantity</u>	The product of Total Import Capability and Import Capability Load Share.
<u>Load Shedding</u>	The systematic reduction of system Demand by temporarily decreasing the supply of Energy to Loads in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

Non-Spinning Reserve The portion of off-line generating capacity that is capable of being synchronized and Ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.

NRC The Nuclear Regulatory Commission or its successor.

NRC (Standards) The reliability standards published by the NRC from time to time.

Off-Peak Deliverability Assessment The technical study performed under LGIP Section 6.3.2.2 set forth in Appendix GG.

On-Peak Deliverability Assessment The technical study performed under LGIP Section 6.3.2.1 set forth in Appendix GG.

Operating Procedures Procedures governing the operation of the ISO Controlled Grid as the ISO may from time to time develop, and/or procedures that Participating TOs currently employ which the ISO adopts for use.

On-Site Self-Supply Energy from a Generating Unit that self-supplies all or a portion of its contemporaneous Station Power Load that is netted pursuant to Section 10.1.3 or is deemed to have self-supplied all or a portion of its associated non-contemporaneous Station Power load without use of the ISO Controlled Grid during the Netting Period pursuant to SPP 3.1.

Operating Reserve The combination of Spinning and Non-Spinning Reserve required to meet Applicable Reliability Criteria for reliable

Participating Generator through a Scheduling Coordinator over the ISO Controlled Grid from a Generating Unit with a rated capacity of 1 MW or greater, or from a Generating Unit providing Ancillary Services and/or submitting Supplemental Energy bids through an aggregation arrangement approved by the ISO, which has undertaken to be bound by the terms of the ISO Tariff, in the case of a Generator through a Participating Generator Agreement.

Participating TO's
Interconnection Facilities 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 the Large Generator Interconnection Agreement, 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 A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. A Participating TO may be an Original Participating TO or a New Participating TO.

Path 15 Upgrade The upgraded transmission facilities across the Path 15 Inter-Zonal Interface that have been turned over to ISO Operational Control.

Payment Date The date by which invoiced amounts are to be paid under the terms of the ISO Tariff.

PBR (Performance-Based Ratemaking) Regulated rates based in whole or in part on the achievement of specified performance objectives.

Phase I Interconnection Study

The engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the CAISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures set forth in Appendix GG. The study will also identify the approximate total costs, based on per unit costs, of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study

An engineering and operational study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), to determine the Point of Interconnection and a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility(ies) with the CAISO Controlled Grid.

Physical Scheduling Plant

A group of two or more related Generating Units, each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: i) multiple generating components are related by a common flow of fuel which cannot be interrupted without a substantial loss of efficiency of the combined output of all components; ii) the Energy production

from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or v) metered output is available only for the combined output of related multiple generating components and separate generating component metering is either impractical or economically inefficient.

Planning Reserve Margin

A Planning Reserve Margin shall be that quantity or percentage of capacity in MWs that exceeds the Demand Forecast set forth in Section 40.3 as provided for in Section 40.4 of this ISO Tariff.

PMS (Power Management System)

The ISO computer control system used to monitor the real-time performance of the various elements of the ISO Controlled Grid, control Generation, and perform operational power flow studies.

Point of Change of Ownership

The point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection

The point, as set forth in Appendix A to the Large Generator Interconnection Agreement or Attachment 3 to the Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the ISO Controlled Grid.

Power Flow Model

The computer software used by the ISO to model the voltages, power injections and power flows on the ISO Controlled Grid and determine the expected Transmission Losses and Generation Meter Multipliers.

Power System Stabilizers (PSS)

An electronic control system applied on a Generating Unit that helps to damp out dynamic oscillations on a power system. The PSS senses Generator variables, such as voltage, current and shaft speed, processes this information and sends control signals to the Generator voltage regulator.

**Pre-Construction
Activities**

Actions by a Participating TO, other than those required by an Engineering and Procurement Agreement under LGIP Section 10 in Appendix GG, undertaken prior to Construction Activities in order to prepare for the construction of Participating TO's Interconnection Facilities or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Participating TO's Interconnection Facilities or Network Upgrades.

**Preferred Day-Ahead
Schedule**

A Scheduling Coordinator's Preferred Schedule for the ISO Day-Ahead scheduling process.

**Preferred Hour-Ahead
Schedule**

A Scheduling Coordinator's Preferred Schedule for the ISO Hour-Ahead scheduling process.

Scheduling Coordinator directly with the ISO on a must-take basis. Regulatory Must-Take Generation includes qualifying facility Generating Units as defined by federal law, nuclear units and pre-existing power purchase contracts with minimum energy take requirements.

Reliability Coordinator

The person responsible for Security Monitoring in real time for the California Area.

Reliability Criteria

Pre-established criteria that are to be followed in order to maintain desired performance of the ISO Controlled Grid under contingency or steady state conditions.

Reliability Must-Run Charge (RMR Charge)

The sum payable by a Responsible Utility to the ISO pursuant to Section 30.6.1.1 of the ISO Tariff for the costs, net of all applicable credits, incurred under the RMR Contract.

Reliability Must-Run Contract (RMR Contract)

A Must-Run Service Agreement between the owner of an RMR Unit and the ISO.

Reliability Must-Run Generation (RMR Generation)

Generation that the ISO determines is required to be on line to meet Applicable Reliability Criteria requirements. This includes i) Generation constrained on line to meet NERC and WECC reliability criteria for interconnected systems operation; ii) Generation needed to meet Load demand in constrained areas; and iii) Generation needed to be operated to provide voltage or security support of the ISO or a local area.

Reliability Must-Run Unit (RMR Unit)

A Generating Unit which is the subject of a Reliability Must-Run Contract.

**Reliability Network
Upgrades**

The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Large Generating Facility(ies) safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Large Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through Congestion Management, Operating Procedures, or special protection systems based on the characteristics of the Large Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.

Reliability Services Costs

The costs associated with services provided by the ISO: 1) that

Resource Adequacy

A resource that is required to offer Resource Adequacy Capacity.

Resource

The criteria for determining the types of resources that are eligible to provide Qualifying Capacity may be established by the CPUC, other applicable Local Regulatory Authority and provided to the ISO, or the default provision in Section 40.13 of this ISO Tariff.

Resource-Specific

Settlement Interval Ex

Post Price

The Resource-Specific Settlement Interval Ex Post Price will equal the Energy-weighted average of the applicable Dispatch Interval Ex Post Prices for each Settlement Interval taking into account each resource's Instructed Imbalance Energy, except Regulation Energy. The Resource-Specific Settlement Interval Ex Post Price shall apply to those resources that are capable of responding to ISO Dispatch Instructions.

Responsible Utility

The utility which is a party to the TCA in whose PTO Service Territory the Reliability Must-Run Unit is located or whose PTO Service Territory is contiguous to the PTO Service Territory in which a Reliability Must-Run Unit owned by an entity outside of the ISO Controlled Grid is located.

Results Meeting

The meeting among the CAISO, the applicable Participating TO(s), the Interconnection Customer, and, if applicable, other Affected System Operators to discuss the results of the Phase I Interconnection Study as set forth in LGIP Section 6 set forth in Appendix GG.

Revenue Requirement

The revenue level required by a utility to cover expenses made on an investment, while earning a specified rate of return on the investment.

Revised Adjusted RMR

Invoice

The monthly invoice issued by the RMR Owner to the ISO pursuant to the RMR Contract reflecting any appropriate revisions to the Adjusted RMR Invoice based on the ISO's validation and actual data for the billing month.

reasonable uneconomic portion of costs associated with Generation-related assets and obligations, nuclear decommissioning, and capitalized Energy efficiency investment programs approved prior to August 15, 1996 and as defined in the California Assembly Bill No. 1890 approved by the Governor on September 23, 1996.

Short Start

Generating Units that that have a cycle time less than five hours (Start-Up Time plus Minimum Run Time is less than five hours) have a Start Up Time less than two hours, and that can be fully optimized with respect to this cycle time.

Site Control

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.

Site Exclusivity

Documentation reasonably demonstrating:

- (1) For private land:
 - (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or
 - (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility.
- (2) For public land, including that controlled or managed by any federal, state or local agency, a final, non-appealable permit, license, or other right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.

Site Exclusivity Deposit

The cash deposit provided to the CAISO by Interconnection Customers under LGIP Section 3.5.1 set forth in Appendix GG as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with LGIP Section 3.5.1.4 set forth in Appendix GG.

Scheduling and Logging system for the ISO of California (SLIC)

A logging application that allows Market Participants to notify the ISO when a unit's properties change due to physical problems. Users can modify the maximum and minimum output of a unit, as well as the ramping capability of the unit.

Small Generating Facility

A Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Spinning Reserve

The portion of unloaded synchronized generating capacity that is immediately responsive to system frequency and that is capable of being loaded in ten minutes, and that is capable of running for at least two hours.

**Stand Alone Network
Upgrades**

Network Upgrades that an 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 the Large Generator Interconnection Agreement.

**Standard Large Generator
Interconnection
Agreement
(LGIA)**

The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, a pro forma version of which is set forth in Appendix V.

**Standard Large Generator
Interconnection**

The ISO Protocol that sets forth the interconnection procedures applicable to an Interconnection Request pertaining to a Large

<u>Procedures</u> <u>(LGIP)</u>	Generating Facility that is set forth in Appendix U.
<u>Standard Ramp (-ing)</u>	A ramp calculated from two consecutive Final Hour Ahead Schedules that results in a straight trajectory between 10 minutes before the start of an operating hour to 10 minutes after the start of the operating hour
<u>Standby Rate</u>	A rate assessed a Standby Service Customer by the Participating TO that also provides retail electric service, as approved by the Local Regulatory Authority, or FERC, as applicable, for Standby Service which compensates the Participating TO, among other things, for costs of High Voltage Transmission Facilities.
<u>Standby Service</u>	Service provided by a Participating TO that also provides retail electric service, which allows a Standby Service Customer, among other things, access to High Voltage Transmission Facilities for the delivery of backup power on an instantaneous basis to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit serving the customer's Load.
<u>Standby Service Customer</u>	A retail End-Use Customer of a Participating TO that also provides retail electric service that receives Standby Service and pays a Standby Rate.
<u>Standby Transmission Revenue</u>	The transmission revenues, with respect to cost of both High Voltage Transmission Facilities and Low Voltage Transmission Facilities, collected directly from Standby Service Customers through charges for Standby Service.
<u>Start-Up Cost Charge</u>	The charge determined in accordance with Section 40.12.
<u>Start-Up Cost Demand</u>	The level of Demand specified in Section 40.12.3.
<u>Start-Up Cost Invoice</u>	The invoice submitted to the ISO in accordance with Section 40.12.6.
<u>Start-Up Cost Trust Account</u>	The trust account established in accordance with Section 40.12.2.
<u>Start-Up Costs</u>	The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit reaches its minimum operating level. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price

SECTION 1. OBJECTIVES, DEFINITIONS, AND INTERPRETATION.

1.1 Objectives.

The objective of this LGIP is to implement FERC's Order No. 2003 setting forth the requirements for Large Generating Facility interconnections to the ISO Controlled Grid. This LGIP applies to Interconnection Requests not assigned to a Queue Cluster Window pursuant to the terms of this CAISO Tariff for the performance of its Interconnection Studies.

1.2 Definitions.

1.2.1 Master Definitions Supplement.

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

1.2.2 Special Definitions for this LGIP.

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

“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 Section 13.1 of the LGIP.

“Dispute Resolution” shall mean the procedure set forth in this LGIP for resolution of a dispute between the Parties.

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

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

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

“Reasonable Efforts” shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Procedures, 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.

1.2.3 Rules of Interpretation.

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

Section 2. Scope and Application.

2.1 Application of Standard Large Generator Interconnection Procedures.

Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Large Generating Facility that is not assigned to a Queue Cluster Window pursuant to the terms of this CAISO Tariff for the performance of its Interconnection Studies.

2.2 Comparability.

The ISO shall receive, process and analyze Interconnection Requests in a timely manner as set forth in this LGIP. The ISO will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by a Participating TO, its subsidiaries, or Affiliates or others.

2.3 Base Case Data.

The ISO and/or the applicable Participating TO(s) shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to applicable confidentiality provisions in LGIP Section 13.1. The applicable Participating TO(s) and the ISO are permitted to require that the Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information (as that term is defined by FERC) in the Base Case data. Such Base Cases shall include (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the transmission system for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

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

Section 11. Standard Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

- 11.1.1** Within thirty (30) Calendar Days after the ISO receives the Interconnection Customer's written comments, or notification of no comments, to the draft Interconnection Facilities Study report, the applicable Participating TO(s) and the ISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved standard form LGIA set forth in CAISO Tariff Appendix V. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the ISO within (30) Calendar Days of receipt.
- 11.1.2** Consistent with Section 3.4.4 and 11.1.1 of this LGIP, when the transmission system of a Participating TO, in which the Interconnection Point is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the LGIA, as appropriately modified.

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

Qualifying Facility shall mean a qualifying cogeneration facility or qualifying small power production facility, as defined in the Code of Federal Regulations, Title 18, Part 292 (18 C.F.R. §292).

QF PGA shall mean a Qualifying Facility Participating Generator Agreement specifying the special provisions for the operating relationship between a Qualifying Facility and the ISO, a pro forma version of which is set forth in Appendix B.3 of the ISO Tariff.

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(s), other Affected Systems, 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 Part 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 ISO Tariff Appendix U.

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

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

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

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

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice. The Parties shall use the Large Generator Interconnection Agreement (ISO Tariff Appendix V or Appendix HH, as applicable) to interpret the responsibilities of the Parties under this Agreement.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Participating TO shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement, and with Good Utility Practice. The ISO and the Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this Agreement.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Participating TO and any Affected Systems. The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook. In the event of a conflict between the terms of this Agreement and the terms of the Participating TO's Interconnection Handbook, the terms in this Agreement shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Participating TO and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the ISO Controlled Grid, the Participating TO's electric system, the Participating TO's personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Participating TO and the ISO shall coordinate with Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer shall execute the Reliability Management System Agreement of the Western Electricity Coordinating Council prior to parallel operation of the Small Generating Facility. The Reliability Management System Agreement is provided as Attachment 8 to this Agreement.

alternatives to the construction of transmission additions or upgrades, such as acceleration or expansion of existing projects, Demand-side management, Remedial Action Schemes, appropriate Generation, interruptible Loads or reactive support. The CAISO shall direct each Participating TO with a PTO Service Area, as a registered Transmission Planner with NERC, to perform the necessary studies, based on the Unified Planning Assumptions and Study Plan as set forth in Section 24.2.1 of this Appendix EE, any applicable Interconnection Study, and in accordance with the Business Practice Manual, to determine the facilities needed to meet all Applicable Reliability Criteria and CAISO Planning Standards. The Participating TO with a PTO Service Area shall provide the CAISO and other Market Participants with all information relating to the studies performed under this Section, subject to any limitation provided in Section 20.2 of the CAISO Tariff or the applicable LGIP. Based on the study results, and as part of the Transmission Planning Process described in the Business Practice Manual, the CAISO, CEC, CPUC, Project Sponsors and other Market Participants shall be free to propose any transmission upgrades or additions deemed necessary to ensure System Reliability consistent with Applicable Reliability Criteria and CAISO Planning Standards. The Participating TO with a PTO Service Territory in which the transmission upgrade or addition deemed needed under this Section 24.1.2 of this Appendix EE is to be located shall be the Project Sponsor, with the responsibility to construct, own and finance, and maintain such transmission upgrade or addition.

24.1.3. Location Constrained Resource Interconnection Facility Projects.

The CAISO, CPUC, CEC, a Participating TO or any other Market Participant may propose a transmission addition as a Location Constrained Resource Interconnection Facility. A proposal shall include the following information, to the extent available:

- (a) Information showing that the proposal meets the requirements of Section 24.1.3.1 of this Appendix EE; and
- (b) A description of the proposed facility, including the following information:
 - (1) Transmission studies demonstrating that the proposed facility satisfies Applicable Reliability Criteria and CAISO Planning Standards;

- (c) Each Participating TO shall report annually to the CAISO the amount of its net investment in LCRIFs (net of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6), the portion of the capital costs of LCRIFs credited to its TRR, and its net investment in High Voltage Transmission Facilities reflected in its High Voltage TRR (net of the amount of the capital costs of LCRIFs to be recovered from LCRIGs pursuant to Section 26.6), to enable the CAISO to make the determination required under Section 24.1.3.1(b)(1) of this Appendix EE.

24.1.3.2 Demonstration of Interest in a Location Constrained Resource Interconnection Facility.

A proponent of an LCRIF must demonstrate interest in the LCRIF equal to sixty percent (60%) or more of the capacity of the facility in the following manner:

- (a) the proponent's demonstration must include a showing that LCRIGs that would connect to the facility and would have a combined capacity equal to at least twenty-five percent (25%) of the capacity of the facility have executed Large Generator Interconnection Agreements or Small Generator Interconnection Agreements, as applicable; and
- (b) to the extent the showing pursuant to Section 24.1.3.2(a) of Appendix EE does not constitute sixty percent (60%) of the capacity of the LCRIF, the proponent's demonstration of the remainder of the required minimum level of interest must include a showing that additional LCRIGs:
- (1) in the case of Large Generating Facilities subject to the LGIP set forth in Appendix GG, have obtained Site Exclusivity or paid the Site Exclusivity Deposit in lieu of Site Exclusivity, provided that any Site Exclusivity Deposit paid pursuant to Section 3.5 of the LGIP set forth in Appendix GG shall satisfy this requirement, or, in the case of Large Generating Facilities subject to the LGIP set forth in Appendix U and Small Generating Facilities, have obtained control over their site or paid a deposit to the CAISO in the amount of \$250,000, which deposit shall be refundable if the LCRIF is not approved or is withdrawn by the proponent; and

- (2) have demonstrated interest in the LCRIF by one of the following methods:
 - (i) executing a firm power sales agreement for the output of the LCRIG for a period of five years or longer; or
 - (ii) in the case of Large Generating Facilities subject to the LGIP set forth in Appendix GG, filing an Interconnection Request and paying the Interconnection Study Deposit required by Section 3.5 of the LGIP set forth in Appendix GG; or

- (iii) in the case of Large Generating Facilities subject to the LGIP set forth in Appendix U and Small Generating Facilities, being in the CAISO's interconnection queue and paying a deposit to the CAISO equal to the sum of the minimum deposits required of an Interconnection Customer for all studies performed in accordance with the Large Generator Interconnection Procedures (Appendix U) or Small Generator Interconnection Procedures (Appendix AA), as applicable to the LCRIG, less the amount of any deposits actually paid by the LCRIG for such studies. The deposit shall be credited toward such study costs. If the LCRIF is not approved or is withdrawn by the proponent, any deposit paid under this provision shall be refundable to the extent it exceeds costs incurred by the CAISO for such studies; or
- (iv) paying a deposit to the CAISO equal to five percent (5%) of the LCRIG's pro rata share of the capital costs of a proposed LCRIF. The deposit shall be credited toward costs of Interconnection Studies performed in connection with the Large Generator Interconnection Procedures (Appendix U or Appendix GG, as applicable) or Small Generator Interconnection Procedures (Appendix AA), whichever is applicable. If the LCRIF is not approved or is withdrawn by the proponent, any deposit paid under this provision shall be refundable to the extent it exceeds the costs incurred by the CAISO for such studies.

24.1.3.3 Coordination With Transmission Additions Proposed by Non-Participating TOs.

In the event that a facility proposed as an LCRIF would connect to LCRIGs in an Energy Resource Area that would also be connected by a transmission facility that is in existence or is proposed to be constructed by an entity that is not a Participating TO and that does not intend to place that facility under the Operational Control of the CAISO, the CAISO shall coordinate with the entity owning or proposing that transmission facility through any regional planning process to avoid the unnecessary construction of duplicative transmission additions to connect the same LCRIGs to the CAISO Controlled Grid.

24.1.3.4 Evaluation of Location Constrained Resource Interconnection Facilities.

In evaluating whether a proposed LCRIF that meets the requirements of Section 24.1.3.1 of this Appendix EE is needed, and for purposes of ranking and prioritizing LCRIF projects, the CAISO will consider the following factors:

- (a) Whether, and if so, the extent to which, the facility meets or exceeds applicable CAISO Planning Standards, including standards that are Applicable Reliability Criteria.
- (b) Whether, and if so, the extent to which, the facility has the capability and flexibility both to interconnect potential LCRIGs in the Energy Resource Area and to be converted in the future to a network transmission facility.
- (c) Whether the projected cost of the facility is reasonable in light of its projected benefits, in comparison to the costs and benefits of other alternatives for connecting Generating Units or otherwise meeting a need identified in the CAISO Transmission Planning Process, including alternatives that are not LCRIFs. In making this determination, the CAISO shall take into account, among other factors, the following:
 - (1) The potential capacity of LCRIGs and the potential Energy that could be produced by LCRIGs in each Energy Resource Area;
 - (2) The capacity of LCRIGs in the CAISO's interconnection process for each Energy Resource Area;
 - (3) The projected cost and in-service date of the facility in comparison with other transmission facilities that could connect LCRIGs to the CAISO Controlled Grid;
 - (4) Whether, and if so, the extent to which, the facility would provide additional reliability or economic benefits to the CAISO Controlled Grid; and
 - (5) Whether, and if so, the extent to which, the facility would create a risk of stranded costs.

24.2.3 Request Window.

All requests for Economic Planning Studies and transmission upgrades or additions must be submitted by Market Participants, CPUC, CEC, or Project Sponsors through the Request Window, in accordance with Section 24 of Appendix EE and the Business Practice Manual, to be considered for inclusion in the annual Transmission Plan. The duration of the Request Window will be set forth in the Business Practice Manual and will occur in the year prior to the year in which the Transmission Plan is prepared. All proposals submitted through the Request Window must use the forms and satisfy the information and technical requirements set forth in the Business Practice Manual. Proposals for transmission additions or upgrades must be within or connect to the CAISO Control Area or CAISO Controlled Grid and proposals for Economic Planning Studies must be intended to promote competition or economic efficiency of serving Load within the CAISO Control Area, but may relate to Congestion relief or transmission capacity expansion outside the CAISO Control Area. The following proposals will only be considered for inclusion in the Transmission Plan if proposed during the Request Window:

- (a) Economic transmission upgrades or additions proposed under Section 24.1.1 of this Appendix EE;
- (b) Location Constrained Resource Interconnection Facilities under Section 24.1.3 of this Appendix EE not identified by the CAISO as part of Interconnection Studies performed under the LGIP set forth in Appendix U or Appendix GG;
- (c) Demand response programs that are proposed for inclusion in the base case or assumptions for the Transmission Plan or as alternatives to transmission additions or upgrades;
- (d) Generation projects that are proposed as solutions to Congestion identified in previously published Economic Planning Studies, for inclusion in long-term planning studies, or as alternatives to transmission additions or upgrades; and
- (e) Requests for Economic Planning Studies; and
- (f) Reliability-driven projects described in Section 24.1.2.

24.3.4 Information Requested from Interconnected Control Areas, Sub-Regional Planning Groups and Electric Utility Regulatory Agencies.

In accordance with Section 24.8 of this Appendix EE, the CAISO shall obtain or solicit from interconnected Control Areas, regional and sub-regional planning groups within the WECC, the CPUC, the CEC, and Local Regulatory Authorities information required by, or anticipated to be useful to, the CAISO in its performance of the Transmission Planning Process, including, but not limited to (1) long-term transmission system plans; (2) long-term resource plans; (3) generation interconnection process information; (4) Demand forecasts; and (5) any other data necessary for the development of power flow, short-circuit, and stability cases over the planning horizon of the CAISO Transmission Planning Process.

24.3.5 Obligation to Provide Updated Information.

If material changes to the information provided under Sections 24.2.3.1 and 24.2.3.2 of this Appendix EE occur during the annual Transmission Planning Process, the providers of the information must provide notice to the CAISO of the changes.

[NOT USED]

[NOT USED]

**Attachment A3 – Clean Sheets Reflecting New Effective Date
Generation Interconnection Process Reform Amendment Filing
Currently Effective CAISO Tariff
November 25, 2008**

CAISO TARIFF APPENDIX GG
Large Generator Interconnection Procedures (LGIP)
for Interconnection Requests in a Queue Cluster Window

**Large Generator
Interconnection Procedures (LGIP)**

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Section 1 Objectives and Definitions.

1.1 Objectives and Applicability.

The objective of this LGIP is to implement the requirements for Large Generating Facility interconnections to the CAISO Controlled Grid. This LGIP applies to Interconnection Requests assigned to a Queue Cluster Window pursuant to the terms of this CAISO Tariff for the performance of its Interconnection Studies.

1.2 Definitions.

1.2.1 Master Definitions Supplement.

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

1.2.2 Special Definitions for this LGIP.

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

“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 Section 13.1 of this LGIP.

“Dispute Resolution” shall mean the procedure set forth in this LGIP for resolution of a dispute between the Parties.

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

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

“Party” or “Parties” shall mean the CAISO, Participating TO(s), Interconnection Customer or the applicable combination of the above.

“Reasonable Efforts” shall mean, with respect to an action required to be attempted or taken by a Party under the Large Generator Interconnection Procedures, 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.

“Roles and Responsibilities Agreement” shall mean the Agreement for the Allocation of Responsibilities with Regard to Large Generator Interconnection Procedures and Interconnection Study Agreements, a *pro forma* version of which is attached to this LGIP.

Section 2 Scope and Application.

2.1 Application of Large Generator Interconnection Procedures.

Sections 2 through 13 of this LGIP apply to processing an Interconnection Request pertaining to a Generating Facility assigned to a Queue Cluster Window pursuant to the terms of this CAISO Tariff for the performance of its Interconnection Studies. Appendix 2 of this LGIP sets forth exceptions to the provisions of this LGIP that apply to processing an Interconnection Request pertaining to a Generating Facility that meets the criteria set forth in LGIP Appendix 2.

2.2 Comparability.

The CAISO shall receive, process, and analyze Interconnection Requests in a timely manner as set forth in this LGIP. The CAISO will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers as set forth in this LGIP, whether the Generating Facilities are owned by a Participating TO, its subsidiaries, or Affiliates or others.

2.3 Interconnection Base Case Data.

For each Interconnection Study Cycle, the CAISO, in coordination with applicable Participating TO(s), shall publish updated Interconnection Base Case Data, including, as applicable, separate Interconnection Base Case Data for each Group Study to reflect system conditions particular to the Group Study, to a secured section of the CAISO Website: (1) prior to the Phase I Interconnection Study with the Generation reflected in valid Interconnection Requests submitted in the Queue Cluster Window for the Interconnection Study Cycle; (2) after the Phase I Interconnection Study with the Generation reflected in valid Interconnection Requests submitted in the Queue Cluster Window for the Interconnection Study Cycle, and the identified preliminary transmission upgrades or additions, (3) prior to the Phase II Interconnection Study, including all remaining Generation from the Phase I Interconnection Study for the Interconnection Study Cycle; and (4) after the Phase II Interconnection Study, including all remaining Generation from the applicable Phase I Interconnection Study and the identified transmission upgrades and additions for the Interconnection Study Cycle.

Interconnection Base Case Data shall not include information subject to the confidentiality provisions in LGIP Section 13.1.

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

2.4 Interconnection Service and Studies.

2.4.1 No Applicability to Transmission Service.

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

2.4.2 The Product.

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

2.4.3 The Interconnection Studies.

The Interconnection Studies consist of a Phase I Interconnection Study and a Phase II Interconnection Study, which will include, but not be limited to, short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The Interconnection Studies will identify direct Interconnection Facilities and required Reliability Network Upgrades necessary to mitigate thermal overloads and voltage violations, and address short circuit, stability, and reliability issues associated with the requested Interconnection Service.

The Interconnection Studies will also identify Delivery Network Upgrades to allow the full output of a Large Generating Facility selecting Full Capacity Deliverability Status, and, as applicable, the maximum allowed output of the interconnecting Large Generating Facility without one or more Delivery Network Upgrades in accordance with the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment set forth in LGIP Section 6.3.2.

Section 3 Interconnection Requests.

3.1 General.

Pursuant to CAISO Tariff Section 25.1, an Interconnection Customer shall submit to the CAISO an Interconnection Request in the form of Appendix 1 to this LGIP. The CAISO will forward a copy of the Interconnection Request to the applicable Participating TO within three (3) Business Days of receipt.

The Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. The Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

3.2 Roles and Responsibilities.

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

3.3 Queue Cluster Windows.

Interconnection Requests must be submitted during a Queue Cluster Window. Separate Queue Cluster Windows shall be established as follows: (i) as provided for in LGIP Appendix 2, Section 1.1; (ii) opening on June 2, 2008 and closing on July 31, 2009; (iii) opening on October 1, 2009 and closing on January 31, 2010; and (iv) thereafter, each calendar year shall have two Queue Cluster Windows with opening and closing dates as set forth in the Business Practice Manual.

Any changes to the Queue Cluster Window interval and opening or closing dates set forth in the Business Practice Manual shall be made in accordance with CAISO Tariff Section 22.11.

3.4 [NOT USED]

3.5 Processing of Interconnection Request.

3.5.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, except as set forth in LGIP Section 3.5.1.1, the Interconnection Customer must submit during a Queue Cluster Window all of the following: (i) a \$250,000 Interconnection Study Deposit, (ii) a completed application in the form of LGIP Appendix 1, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other required technical data, and (iii) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

3.5.1.1 Initiating an Interconnection Request for Certain Small and Existing Generating Facilities.

An Interconnection Customer submitting an Interconnection Request relating to (a) a Small Generating Facility seeking a Deliverability Assessment or (b) a Generating Facility, subject to the LGIP in accordance with CAISO Tariff Section 25.1.1, that has achieved Commercial Operation prior to the date of the Interconnection Request, and is seeking to increase the capacity of the Generating Facility by less than 20 MW, must submit during a Queue Cluster Window all of the following: (i) a \$100,000 Interconnection Study Deposit, (ii) a completed application in the form of LGIP Appendix 1, including requested deliverability status, preferred Point of Interconnection and voltage level, and all other required technical data, and (iii) demonstration of Site Exclusivity, which for a Generation Facility under (b) above shall be Site Exclusivity sufficient to accommodate the added capacity, or a posting of an additional Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Generating Facility or increase in capacity of the existing Generating Facility.

3.5.1.2 Use of Interconnection Study Deposit.

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

The Interconnection Study Deposits shall be refundable as follows:

- (a) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under LGIP Section 3.8 on or before thirty (30) calendar days following the Scoping Meeting, the CAISO shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal, that exceed the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf.

- (b) Should an Interconnection Request made under LGIP Section 3.5.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under LGIP Section 3.8 more than thirty (30) calendar days after the Scoping Meeting, but on or before thirty (30) calendar days following the Results Meeting for the Phase I Interconnection Study, the CAISO shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf or \$100,000, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal.
- (c) Should an Interconnection Request made under LGIP Section 3.5.1.1 be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under LGIP Section 3.8 more than thirty (30) calendar days after the Scoping Meeting, but on or before thirty (30) calendar days following the Results Meeting for the Phase I Interconnection Study, the CAISO shall refund to the Interconnection Customer the difference between (i) the Interconnection Customer's Interconnection Study Deposit and (ii) the greater of the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf or \$50,000, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal.
- (d) Should an Interconnection Request be withdrawn by the Interconnection Customer or be deemed withdrawn by the CAISO by written notice under LGIP Section 3.8 at any time more than thirty (30) calendar days after the Results Meeting for the Phase I Interconnection Study, the Interconnection Study Deposit shall be non-refundable.
- (e) Upon execution of an LGIA by an Interconnection Customer, the CAISO and the applicable Participating TOs, or the approval by FERC of an unexecuted LGIA, the CAISO shall refund to the Interconnection Customer any portion of the Interconnection Customer's Interconnection Study Deposit, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal, that exceeds the costs the CAISO, Participating TOs, and third parties have incurred on the Interconnection Customer's behalf.

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the CAISO all costs in excess of the Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The CAISO will reimburse the applicable Participating TO(s) or third parties, as applicable, for all work performed on behalf of the withdrawn Interconnection Request at the CAISO's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

All non-refundable portions of the Interconnection Study Deposit that exceed the costs the CAISO, Participating TOs, or third parties have incurred on the Interconnection Customer's behalf shall be treated in accordance with CAISO Tariff Section 37.9.4.

3.5.1.3 Obligation for Study Costs.

Except as otherwise provided in LGIP Section 3.5.1.2, the CAISO shall charge and the Interconnection Customer(s) shall pay the actual costs of the Interconnection Studies. Where an Interconnection Study is performed by means of a Group Study, the cost of the Group Study will be charged pro rata to each Interconnection Request assigned to the Group Study. The cost of Interconnection Studies performed for an individual Interconnection Request, not part of a Group Study, will be charged solely to the Interconnection Customer that submitted the Interconnection Request.

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

3.5.1.4 Use of Site Exclusivity Deposit.

The CAISO shall deposit all Site Exclusivity Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Site Exclusivity Deposit shall be refundable to the Interconnection Customer at any time upon demonstration of Site Exclusivity or the Interconnection Request is withdrawn by the Interconnection Customer or deemed withdrawn by the CAISO by written notice under LGIP Section 3.8. The refund of the Site Exclusivity Deposit shall include interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal. The Site Exclusivity Deposit shall continue to be required after the Interconnection Customer either executes an LGIA or requests the filing of an unexecuted LGIA under LGIP Section 11 if Site Exclusivity has not been demonstrated.

3.5.1.5 Proposed Commercial Operation Date.

The proposed Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall not exceed seven years from the date the Interconnection Request is received by the CAISO, unless the Interconnection Customer demonstrates, and the applicable Participating TO(s) and the CAISO agree, such agreement not to be unreasonably withheld, that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the seven year period.

3.5.2 Validation of Interconnection Request.

3.5.2.1 Acknowledgment of Interconnection Request.

The CAISO shall notify the Interconnection Customer within six (6) Business Days of receipt of the Interconnection Request, which notice shall state whether the Interconnection Request is deemed valid.

3.5.2.2 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in LGIP Section 3.5.1 have been received and deemed valid by the CAISO. If an Interconnection Request fails to meet the requirements set forth in LGIP Section 3.5.1, the CAISO shall include in its notification to the Interconnection Customer under LGIP Section 3.5.2.1 the reasons for such failure and that the Interconnection Request does not constitute a valid request. The Interconnection Customer shall provide the CAISO the additional requested information needed to constitute a valid request. Whenever additional requested information is provided by the Interconnection Customer, the CAISO shall notify the Interconnection Customer within three (3) Business Days of receipt of the additional requested information whether the Interconnection Request is valid. If the Interconnection Request continues to fail to meet the requirements set forth in LGIP Section 3.5.1, the CAISO shall include in its notification to the Interconnection Customer the reasons for such failure. If an Interconnection Request has not been deemed valid, the Interconnection Customer must submit all information necessary to meet the requirements of LGIP Section 3.5.1 no later than twenty (20) calendar days after the close of the applicable Queue Cluster Window or ten (10) calendar days after the CAISO first provided notice that the Interconnection Request was not valid, whichever is later. Interconnection Requests that have not met the requirements of LGIP Section 3.5.1 within twenty (20) calendar days after the close of the applicable Queue Cluster Window or ten (10) calendar days after the CAISO first provided notice that the Interconnection Request was not valid, whichever is later, will not be included in Interconnection Study Cycle and will be deemed invalid.

Interconnection Requests deemed invalid under this LGIP Section 3.5.2.2 are not subject to LGIP Section 3.8. Interconnection Customers with invalid Interconnection Request under this LGIP Section 3.5.2.2 may seek relief under LGIP Section 13.5 by so notifying the CAISO within two (2) Business Days of the notice of invalidity.

3.6 Internet Posting.

The CAISO will maintain on the CAISO Website a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the most recent projected Commercial Operation Date; (v) the status of the Interconnection Request, including whether it is active or withdrawn; (vi) the availability of any studies related to the Interconnection Request; (vii) the date of the Interconnection Request; (viii) the type of Generating Facility to be constructed (e.g., combined cycle, combustion turbine, wind turbine, and fuel type); and (ix) requested deliverability status.

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

The CAISO shall post to the CAISO Website any deviations from the study timelines set forth herein. The CAISO shall further post to the CAISO Website non-confidential portions of the Phase I Interconnection Study following the final Results Meeting and non-confidential portions of the Phase II Interconnection Study no later than publication of the final Transmission Plan under CAISO Tariff Section 24.2.5.2 in Appendix EE.

3.7 Coordination with Affected Systems.

The CAISO will notify the Affected System Operators that are potentially affected by the Interconnection Customer's Interconnection Request or Group Study within which the Interconnection Customer's Interconnection Request will be studied. The CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators, to the extent possible, and, if possible, the CAISO will include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. The CAISO will include such Affected System Operators in all meetings held with the Interconnection Customer as required by this LGIP. The Interconnection Customer will cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems, including signing separate study agreements with Affected System owners and paying for necessary studies. An entity which may be an Affected System shall cooperate with the CAISO in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.8 Withdrawal.

The Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to the CAISO, and the CAISO will notify the applicable Participating TO(s) and Affected System Operators, if any, within three (3) Business Days of receipt of such a notice. In addition, after confirmation by the CAISO of a valid Interconnection Request under LGIP Section 3.5.2, if the Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in LGIP Section 13.5 (Disputes), the CAISO shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Interconnection Customer within five (5) Business Days of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the Interconnection Customer shall have five (5) Business Days in which to respond with information or action that either cures the deficiency or supports its position that the deemed withdrawal was erroneous and notifies the CAISO of its intent to pursue Dispute Resolution.

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

In the event of such withdrawal, the CAISO, subject to the provisions of LGIP Sections 13.1 and 3.5.1.2, shall provide, at the Interconnection Customer's request, all information that the CAISO developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

3.9 Transferability of Interconnection Request.

An Interconnection Customer may transfer its Interconnection Request to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

Section 4 Large Generator Interconnection Study Process Agreement.

Within thirty (30) calendar days of the close of the Queue Cluster Window, the CAISO shall provide to each Interconnection Customer with a valid Interconnection Request received during the Queue Cluster Window a *pro forma* Large Generator Interconnection Study Process Agreement in the form set forth in Appendix 3 of this LGIP. The *pro forma* Large Generator Interconnection Study Process Agreement shall specify that the Interconnection Customer is responsible for the actual cost of the Interconnection Studies, including reasonable administrative costs, and all requirements of this LGIP. Within three (3) Business Days following the Scoping Meeting, the Interconnection Customer shall specify for inclusion in the attachment to the Large Generator Interconnection Study Process Agreement the Point of Interconnection for the Phase I Interconnection Study. Within ten (10) Business Days following the CAISO's receipt of such designation, the CAISO, in coordination with the applicable Participating TOs, shall provide to the Interconnection Customer a signed Large Generator Interconnection Study Process Agreement. The Interconnection Customer shall execute and deliver to the CAISO the Large Generator Interconnection Study Process Agreement no later than thirty (30) calendar days after the Scoping Meeting.

Section 5 Scoping Meeting.

Within five (5) Business Days after the CAISO notifies the Interconnection Customer of a valid Interconnection Request, the CAISO shall establish a date agreeable to the Interconnection Customer and the applicable Participating TO(s) for the Scoping Meeting. All Scoping Meetings shall occur no later than sixty (60) calendar days after the close of the Queue Cluster Window, unless otherwise mutually agreed upon by the Parties. The CAISO shall determine whether the Interconnection Request is at or near the boundary of an affected Participating TO(s) PTO Service Territory or of any other Affected System(s) so as to potentially affect such third parties. If such a determination is made, the CAISO shall invite the affected Participating TO(s), and/or Affected System Operator(s) in accordance with LGIP Section 3.7, to the Scoping Meeting by informing such third parties of the time and place of the scheduled Scoping Meeting as soon as practicable.

The purpose of the Scoping Meeting shall be to discuss reasonable Commercial Operation Dates and alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection and eliminate alternatives given resources and available information. The applicable Participating TO(s) and the CAISO will bring to the meeting, as reasonably necessary to accomplish its purpose, the following: (a) such already available technical data, including, but not limited to, (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues, and (b) general information regarding the number, location, and capacity of other Interconnection Requests in the Interconnection Study Cycle that may potentially form a Group Study with the Interconnection Customer's Interconnection Request.

The Interconnection Customer will bring to the Scoping Meeting, in addition to the technical data in Attachment A to LGIP Appendix 1, any system studies previously performed. The applicable Participating TO(s), the CAISO and the Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, the Interconnection Customer shall designate its Point of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

The CAISO shall prepare minutes from the meeting, verified by the Interconnection Customer and the other attendees, that will include, at a minimum, discussions among the applicable Participating TO(s) and the CAISO of the expected results and a good faith estimate of the costs for the Phase I Interconnection Study.

Section 6 Interconnection Studies.

6.1 Grouping Interconnection Requests.

At the CAISO's option, and in coordination with the applicable Participating TO(s), an Interconnection Request received during a particular Queue Cluster Window may be studied individually or in a Group Study for the purpose of conducting one or more of the analyses forming the Interconnection Studies. For each Interconnection Study within an Interconnection Study Cycle, the CAISO may develop one or more Group Studies. A Group Study will include, at the CAISO's sole judgment after coordination with the applicable Participating TO(s), Interconnection Requests that electrically affect one another with respect to the analysis being performed without regard to the nature of the underlying Interconnection Service. The CAISO may also, in its sole judgment after coordination with the applicable Participating TO(s), conduct an Interconnection Study for an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility from other Large Generating Facilities with Interconnection Requests in the same Queue Cluster Window.

An Interconnection Request's inclusion in a Group Study will not relieve the CAISO or Participating TO(s) from meeting the timelines for conducting the Phase I Interconnection Study provided in the LGIP. Group Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the transmission system's capabilities at the time of each study.

6.2 Scope and Purpose of Phase I Interconnection Study.

The Phase I Interconnection Study shall (i) evaluate the impact of all Interconnection Requests received during the Queue Cluster Window on the CAISO Controlled Grid, (ii) preliminarily identify all Network Upgrades needed to address the impacts on the CAISO Controlled Grid of the Interconnection Requests, (iii) preliminarily identify for each Interconnection Request required Interconnection Facilities, (iv) assess the Point of Interconnection selected by each Interconnection Customer and potential alternatives to evaluate potential efficiencies in overall transmission upgrades costs, (v) establish the maximum cost responsibility for Network Upgrades assigned to each Interconnection Request in accordance with LGIP Section 6.3, and (vi) provide a good faith estimate of the cost of Interconnection Facilities for each Interconnection Request.

The Phase I Interconnection Study will consist of a short circuit analysis, a stability analysis to the extent the CAISO and applicable Participating TO(s) reasonably expect transient or voltage stability concerns, a power flow analysis, including off-peak analysis, and an On-Peak and Off-Peak Deliverability Assessment(s), as applicable, in accordance with LGIP Section 6.3.2. The Phase I Interconnection Study will state for each Group Study or Interconnection Request studied individually (i) the assumptions upon which it is based, (ii) the results of the analyses, and (iii) the requirements or potential impediments to providing the requested Interconnection Service to all Interconnection Requests in a Group Study or to the Interconnection Request studied individually. The Phase I Interconnection Study will provide, without regard to the requested Commercial Operation Dates of the Interconnection Requests, a list of Network Upgrades to the CAISO Controlled Grid that are preliminarily identified as required as a result of the Interconnection Requests in a Group Study or as a result of any Interconnection Request studied individually and Participating TO's Interconnection Facilities associated with each Interconnection Request, and an estimate of any other financial impacts (i.e., on Local Furnishing Bonds).

6.3 Identification and Cost Allocation Methods for Network Upgrades in Phase I Interconnection Study.

6.3.1 Reliability Network Upgrades.

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

The cost of all Reliability Network Upgrades identified in the Phase I Interconnection Study shall be estimated in accordance with LGIP Section 6.4. The estimated costs of Reliability Network Upgrades identified as a result of an Interconnection Request studied separately shall be assigned solely to that Interconnection Request. The estimated costs of Reliability Network Upgrades identified through a Group Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request.

6.3.2 Delivery Network Upgrades.

6.3.2.1 The On-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform an On-Peak Deliverability Assessment for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests. The On-Peak Deliverability Assessment shall determine the Interconnection Customer's Large Generating Facility's ability to deliver its Energy to the CAISO Controlled Grid under peak load conditions, and identify preliminary Delivery Network Upgrades required to provide the Large Generating Facility with Full Capacity Deliverability Status. The preliminary Delivery Network Upgrades identified by the On-Peak Deliverability Assessment will be used to establish the maximum cost responsibility for Delivery Network Upgrades for each Interconnection Customer selecting Full Capacity Deliverability Status. Deliverability of a new Large Generating Facility will be assessed on the same basis as all other existing resources interconnected to the CAISO Controlled Grid.

The On-Peak Deliverability Assessment will identify the Network Upgrades that are required to enable the Large Generating Facility of each Interconnection Customer requesting Full Capacity Deliverability Status to meet the requirements for deliverability. Deliverability requires that the Generating Facility Capacity, as set forth in the Interconnection Request, can be delivered to the aggregate of Load on the CAISO Controlled Grid, consistent with Reliability Criteria, under CAISO Controlled Grid peak load and Contingency conditions, and assuming the aggregate output of existing Generating Facilities with established Net Qualifying Capacity values and other Large Generating Facilities in the Interconnection Study Cycle seeking Full Capacity Deliverability Status identified within the On-Peak Deliverability Assessment based on the effect of transmission Constraints.

The On-Peak Deliverability Assessment will further perform an analysis to estimate the MW of deliverable generation capacity for the individual or Group Study if the highest cost Delivery Network Upgrade component were removed from the preliminary Delivery Network Upgrade plan, or, at the CAISO's sole discretion, if any other identified Delivery Network Upgrade component(s) were removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under LGIP Section 6.7.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under LGIP Section 12.3.1.

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

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

6.3.2.2 Off-Peak Deliverability Assessment.

The CAISO, in coordination with the applicable Participating TO(s), shall perform an Off-Peak Deliverability Assessment for Interconnection Customers selecting Full Capacity Deliverability Status in their Interconnection Requests to determine Delivery Network Upgrades in addition to those identified in the On-Peak Deliverability Assessment, if any, for a Group Study or individual Phase I Interconnection Study that includes one or more Location Constrained Resource Interconnection Generators (LCRIG), where the fuel source or source of energy for the LCRIG substantially occurs during off-peak conditions. Delivery Network Upgrades will be identified under this Section to ensure that the full maximum megawatt electrical output of each proposed new LCRIG or the amount of megawatt increase in the generating capacity of each existing LCRIG as listed by the Interconnection Customer in its Interconnection Request, whether studied individually or as a Group Study, is deliverable to the aggregate of Load on the CAISO Controlled Grid under the Generation dispatch conditions studied. The methodology for the Off-Peak Deliverability Assessment will be published on the CAISO Website or, if applicable, included in a CAISO Business Practice Manual.

At the CAISO's discretion, an additional Off-Peak Deliverability Assessment may be performed to estimate the MW of deliverable generation capacity from the LCRIG studied individually or from the Group Study if the highest cost, or any other, Delivery Network Upgrade component were removed from the preliminary Delivery Network Upgrade plan. This information is provided to allow Interconnection Customers to address at the Results Meeting potential modifications under LGIP Section 6.7.2 or change the Interconnection Request's Full Capacity Deliverability Status for purposes of financing under LGIP Section 12.3.1.

The cost of all Delivery Network Upgrades identified in the Off-Peak Deliverability Assessment as part of Phase I Interconnection Study shall be estimated in accordance with LGIP Section 6.4. The estimated costs of Delivery Network Upgrades identified in the Off-Peak Deliverability Assessment shall be assigned to each Interconnection Request included in the Group Study or studied individually based on the flow impact of each such LCRIG on the Delivery Network Upgrades as determined by the Generation distribution factor methodology set forth in the Off-Peak Deliverability Assessment methodology.

6.4 Use of Per Unit Costs to Estimate Network Upgrade Costs.

Prior to the commencement of the initial Queue Cluster Window for each calendar year, each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems. These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a PTO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Reliability Network Upgrades, Delivery Network Upgrades and Participating TO's Interconnection Facilities under this LGIP Section 6. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

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

6.5 Phase I Interconnection Study Costs Form the Basis of Interconnection Financial Security.

The costs assigned to Interconnection Customers for Network Upgrades under this Section 6 of the LGIP shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Participating TO's Interconnection Facilities under this Section 6 of the LGIP are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9.2.

6.6 Phase I Interconnection Study Procedures.

The CAISO shall coordinate the Phase I Interconnection Study with applicable Participating TO(s) pursuant to LGIP Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report at a maximum within two hundred forty (240) Calendar Days after the close of the Queue Cluster Window and approximately one hundred eighty Calendar Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under LGIP Section 13.2. The

CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I Interconnection Study, the CAISO may, at the Interconnection Customer's request, determine whether the provisions of LGIP Section 7.6 apply.

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

Upon request, the CAISO shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with LGIP Section 13.1.

6.7 Phase I Interconnection Study Results Meeting.

Within thirty (30) calendar days of providing the Phase I Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the Interconnection Customer shall hold a Results Meeting to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

6.7.1 Commercial Operation Date.

At the Results Meeting, the Interconnection Customer shall provide a schedule outlining key milestones including environmental survey start date, expected environmental permitting submittal date, expected procurement date of project equipment, back-feed date for project construction, and expected project construction date. This will assist the parties in determining if Commercial Operation Dates are reasonable. If major Interconnection Customer's Interconnection Facilities for the Large Generating Facility have been identified in the Phase I Interconnection Study, such as telecommunications equipment to support a possible special protection system (SPS), distribution feeders to support back feed, new substation, and/or expanded substation work, permitting and material procurement lead times may result in the need to alter the proposed Commercial Operation Date. The Parties may agree to a new Commercial Operation Date. In

addition, where an Interconnection Customer intends to establish Commercial Operation separately for different Electric Generating Units or project phases at its Generating Facility, it may only do so in accordance with an implementation plan agreed to in advance by the CAISO and Participating TO, which agreement shall not be unreasonably withheld. Where the parties cannot agree, the Commercial Operation Date determined reasonable by the CAISO, in coordination with the applicable Participating TO(s), will be used for the Phase II Interconnection Study where the changed Commercial Operation Date is needed to accommodate the anticipated completion, assuming Reasonable Efforts by the applicable Participating TO(s), of necessary Reliability Network Upgrades and/or Participating TO's Interconnection Facilities, pending the outcome of any relief sought by the Interconnection Customer under LGIP Section 13.5. The Interconnection Customer must notify the CAISO within five (5) Business Days following the Results Meeting that it is initiating dispute procedures under LGIP Section 13.5.

6.7.2 Modifications.

At the Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt. The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with LGIP Sections 6.7.2.1 or 6.7.2.2.

Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the applicable Participating TO(s), the CAISO, and Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

- 6.7.2.1** Modifications permitted under this Section 6.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

6.7.2.2 For any modification other than those specifically permitted by LGIP Section 6.7.2.1, the Interconnection Customer may first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this LGIP Section 6.7.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Section 7 Phase II Interconnection Study.

7.1 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Large Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Large Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities, (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Large Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Large Generating Facility are completed and placed into service.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO

7.2 Coordination of the Phase II Interconnection Study with the Transmission Planning Process.

The CAISO shall coordinate the Phase II Interconnection Studies with the CAISO's Transmission Planning Process under, and as defined in, CAISO Tariff Section 24 in Appendix EE. This coordination shall include, but not be limited to:

- (i) consistency, to the maximum extent applicable under Good Utility Practice, between the Interconnection Base Case Data used for performance of the Phase II Interconnection Studies and the Unified Planning Assumptions developed for the Transmission Planning Process, including, but not limited to, data relating to Demand data, network topology, and generation resources;
- (ii) consideration of any conceptual transmission plan(s) developed, but not rejected, in the current or former Transmission Planning Processes intended to access generation development areas as a means to satisfy the Network Upgrade requirements to interconnect Generating Facilities included in the Phase II Interconnection Study;
- (iii) performance of sensitivities within the Transmission Planning Process, including cases considering Generating Facilities included in the Phase II Interconnection Study(ies) to the extent possible, to optimize transmission upgrades developed in the current Transmission Planning Process to achieve System Reliability, economic efficiency, and satisfy the Network Upgrade requirements to interconnect Generating Facilities included in the Phase II Interconnection Study;
- (iv) consideration of future generation development potential in transmission upgrade designs pursuant to criteria developed as part of the Unified Planning Assumptions; and
- (v) consideration of phased development and option value of transmission projects to address uncertainty.

Network Upgrades, apart from detail engineering and final cost determinations, identified in any Phase II Interconnection Study or as part of the Transmission Planning Process that must receive ISO Governing Board approval under Section 24 in Appendix EE of the CAISO Tariff may be subject to Section 24.2.5.2 in Appendix EE of the CAISO Tariff.

Generation projects entering the Phase II Interconnection Study will also be considered in the Unified Planning Assumptions (as defined in CAISO Tariff Appendix EE), as appropriate. Transmission projects proposed through the Phase II Interconnection Study that require CAISO Governing Board approval will be integrated into the stakeholder process under the Transmission Planning Process.

7.3 Financing of Reliability Network Upgrades.

The responsibility to finance final Reliability Network Upgrades identified in the Phase II Interconnection Study of an Interconnection Request studied separately shall be

assigned solely to that Interconnection Request up to the cost assignment for Reliability Network Upgrades under LGIP Section 6.3.1. The responsibility to finance final Reliability Network Upgrades identified through a Group Study in the Phase II Interconnection Study shall be assigned to all Interconnection Requests in that Group Study pro rata on the basis of the maximum megawatt electrical output of each proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request up to the cost assignment for Reliability Network Upgrades under LGIP Section 6.3.1.

7.4 Financing of Delivery Network Upgrades.

The responsibility to finance all Delivery Network Upgrades identified in the On-Peak Deliverability Assessment and Off-Peak Deliverability Assessment as part of Phase II Interconnection Study shall be assigned to all Interconnection Requests selecting Full Capacity Deliverability Status based on the flow impact of each such Large Generating Facility on each Delivery Network Upgrade as determined by the Generation distribution factor methodology set forth in the On-Peak and Off-Peak Deliverability Assessment methodologies. The financing responsibility shall be up to, but no greater than, the cost assignment for Delivery Network Upgrades for each Interconnection Request under LGIP Sections 6.3.2.1 and 6.3.2.2.

7.5 Phase II Interconnection Study Procedures.

The CAISO shall coordinate the Phase II Interconnection Study with applicable Participating TO(s) and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase II Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase II Interconnection Study report within three hundred thirty (330) calendar days from January 1 of each calendar year. The CAISO will share applicable study results with the applicable Participating TO(s), for review and comment, and will incorporate comments into the study report. The CAISO will issue a final Phase II Interconnection Study report to the Interconnection Customer.

At the request of the Interconnection Customer or at any time the CAISO determines that it will not meet the required time frame for completing the Phase II Interconnection Study, the CAISO shall notify the Interconnection Customer as to the schedule status of the Phase II Interconnection Study and provide an estimated completion date with an explanation of the reasons why additional time is required.

Upon request, the CAISO shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase II Interconnection Study, subject to confidentiality arrangements consistent with LGIP Section 13.1.

7.6. Accelerated Phase II Interconnection Study Process.

The Phase II Interconnection Study shall be completed within one hundred fifty (150) calendar days following the posting of the initial Interconnection Financial Security under LGIP Section 9 where the Interconnection Request meets the following criteria: (i) the Interconnection Request was not grouped with any other Interconnection Requests during the Phase I Interconnection Study or was identified as interconnecting to a point of available transmission during the Phase I Interconnection Study, and (ii) the Interconnection Customer is able to demonstrate that the general Phase II Interconnection Study timeline under LGIP Section 7.5 is not sufficient to accommodate the Commercial Operation Date of the Large Generating Facility.

In addition to the above criteria, the CAISO may apply to FERC in coordination with the Interconnection Customer for a waiver of the timelines in this LGIP to meet the schedule required by an order, ruling, or regulation of the Governor of the State of California, the CPUC, or the CEC.

7.7 Meeting with the CAISO and Applicable Participating TO(s).

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

Section 8 [NOT USED]

Section 9 Interconnection Financial Security.

9.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the applicable Participating TO(s):

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO (s);

- (e) a certificate of deposit in the name of the applicable Participating TO (s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or
- (f) a payment bond certificate in the name of the applicable Participating TO (s) issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s). The CAISO shall publish and maintain standardized forms related to the types of Interconnection Financial Security listed above on the CAISO Website. The CAISO shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this LGIP Section 9.1, the Interconnection Customer shall provide to the CAISO replacement Interconnection Financial Security meeting the requirements of this LGIP Section 9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the CAISO in an interest-bearing escrow account under subpart (d) of this LGIP Section 9.1 will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis.

9.2 Initial Posting of Interconnection Financial Security.

On or before ninety (90) calendar days after publication of the final Phase I Interconnection Study report, Interconnection Customers must post, with notice to the CAISO, two separate Interconnection Financial Security instruments (i) in the amount of twenty percent (20%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Network Upgrades, or \$500,000, whichever is greater, and (ii) in the amount of twenty percent (20%) of the total cost responsibility assigned to the Interconnection Customer in the final Phase I Interconnection Study for Participating TO's Interconnection Facilities. The failure by an Interconnection Customer to timely post, and notify the CAISO of the posting of, the Interconnection Financial Security required by this LGIP Section 9.2 shall result in the Interconnection Request being deemed withdrawn and subject to LGIP Section 3.8.

9.3 Second Posting of Interconnection Financial Security.

On or before one hundred eighty (180) calendar days after publication of the final Phase II Interconnection Study report or at the start of Construction Activities of Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer, whichever is earlier, the Interconnection Customer must post separate Interconnection Financial Security instruments in the total amount of one hundred percent

(100%) of the total cost responsibility assigned to the Interconnection Customer (i) in the final Phase I Interconnection Study for Network Upgrades, if greater than \$500,000, and (ii) in the final Phase II Interconnection Study for Participating TO's Interconnection Facilities. The start date for Construction Activities of Network Upgrades or Participating TO's Interconnection Facilities on behalf of the Interconnection Customer must be set forth in the Interconnection Customer's LGIA if that start date is prior to one hundred eighty (180) calendar days after publication of the final Phase II Interconnection Study report. The failure by an Interconnection Customer to timely post the Interconnection Financial Security required by this LGIP Section 9.2 shall constitute grounds for termination of the LGIA pursuant to LGIA Article 2.3.

9.4 General Effect of Withdrawal of Interconnection Request or Termination of the LGIA on Interconnection Financial Security.

Except as set forth in LGIP Section 9.4.1, withdrawal of an Interconnection Request or termination of an LGIA shall allow the applicable Participating TO(s) to liquidate the Interconnection Financial Security, or balance thereof, posted by the Interconnection Customer for Network Upgrades at the time of withdrawal. To the extent the amount of the liquidated Interconnection Financial Security plus capital, if any, separately provided by the Interconnection Customer to satisfy its obligation to finance Network Upgrades in accordance with LGIP Section 12.3 exceeds the total cost responsibility for Network Upgrades assigned to the Interconnection Customer by the Phase I Interconnection Study, the applicable Participating TO(s) shall remit to the Interconnection Customer the excess amount.

Withdrawal of an Interconnection Request or termination of an LGIA shall result in the release to the Interconnection Customer of any Interconnection Financial Security posted by the Interconnection Customer for Participating TO's Interconnection Facilities, except with respect to any amounts necessary to pay for costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer for the Participating TO's Interconnection Facilities and for which the applicable Participating TO(s) has not been reimbursed.

9.4.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of LGIA.

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with LGIP Section 9.4.2, if the withdrawal of the Interconnection Request or termination of the LGIA occurs for any of the following reasons:

- (a) **Failure to Secure a Power Purchase Agreement.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has failed to secure an acceptable power purchase agreement for the Energy or capacity of the Large Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.

- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Large Generating Facility.
- (c) **Increase in the Cost of Participating TO's Interconnection Facilities.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.
- (d) **Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

9.4.2 Schedule for Determining Non-Refundable Portion of the Interconnection Financial Security for Network Upgrades.

9.4.2.1 Up to One Hundred Eighty Days After Final Phase II Interconnection Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and on or before one hundred eighty (180) calendar days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1, the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and reimburse the Interconnection Customer in an amount of (i) fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades, or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the applicable Participating TO(s) will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

9.4.2.2 Between One Hundred Eighty-One Days and Three Hundred Sixty-Five Days After Final Phase II Interconnection Study Report.

If, at any time between one hundred eighty-one (181) calendar days and three hundred sixty-five (365) calendar days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1, the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for Network Upgrades under LGIP Section 9.3 and reimburse the Interconnection Customer in an amount of (i) fifty percent (50%) of the posted value of the Interconnection Financial Security for Network Upgrades, or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the applicable Participating TO(s) will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

9.4.2.3 Between Three Hundred Sixty-Six Days and Five Hundred Forty-Five Days After Final Phase II Interconnection Study Report.

If, at any time between three hundred sixty-six (366) calendar days and five hundred forty-five (545) calendar days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1, the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for Network Upgrades under LGIP Section 9.3 and reimburse the Interconnection Customer in an amount of (i) twenty percent (20%) of the posted value of the Interconnection Financial Security for Network Upgrades, or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the applicable Participating TO(s) will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

9.4.2.4 Special Treatment Based on Failure to Obtain Necessary Permit or Authorization from Governmental Authority.

If, at any time after the posting requirement under LGIP Section 9.3, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1(b), and the Delivery Network Upgrades to be financed by the Interconnection Customer under LGIP Section 7.3 are also to be financed by one or more other Interconnection Customers, then LGIP Section 9.4.2.1 shall apply, except that the Interconnection Customer shall not be reimbursed for its share of any actual costs incurred or irrevocably committed by the applicable Participating TO(s) for Construction Activities.

9.4.2.5 After Commencement of Construction Activities.

Except as otherwise provided in LGIP Section 9.4.2.4, once Construction Activities on Network Upgrades on behalf of the Interconnection Customer commence, any withdrawal of the Interconnection Request or termination of the LGIA by the Interconnection Customer will be treated in accordance with this LGIP Section 9.4.

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

The applicable Participating TO(s) must notify the CAISO within one (1) Business Day of liquidating any Interconnection Financial Security. Within twenty (20) calendar days of any liquidating event, the applicable Participating TO(s) must provide the CAISO and Interconnection Customer with an accounting of the disposition of the proceeds of the liquidated Interconnection Financial Security and remit to the CAISO all proceeds not otherwise reimbursed to the Interconnection Customer or applied to costs incurred or irrevocably committed by the applicable Participating TO(s) on behalf of the Interconnection Customer in accordance with this LGIP Section 9.4. All non-refundable portions of the Interconnection Financial Security remitted to the CAISO in accordance with this LGIP Section 9.4 shall be treated in accordance with CAISO Tariff Section 37.9.4.

Section 10 Engineering & Procurement (“E&P”) Agreement.

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

The Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If the Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, the Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, the applicable Participating TO(s) may elect: (i) to take title to the equipment, in which event the applicable Participating TO(s) shall refund the Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to the Interconnection Customer, in which event the Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 11 Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

11.1.1 Within thirty (30) Calendar Days after the CAISO provides the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s) and the CAISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved form of LGIA set forth in CAISO Tariff Appendix HH. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

11.1.2 Consistent with LGIP Sections 13.3 and 11.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the LGIA, as appropriately modified.

11.2 Negotiation.

Notwithstanding LGIP Section 11.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the LGIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than ninety (90) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to LGIP Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to LGIP Section 13.5. If the Interconnection Customer requests termination of the negotiations, but, within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to LGIP Section 13.5 within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The applicable Participating TO(s) and CAISO shall provide to the Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

The Interconnection Customer shall either: (i) execute the appropriate number of originals of the tendered LGIA as specified in the directions provided by the CAISO and return them to the CAISO, as directed, for completion of the execution process; or (ii) request in writing that the applicable Participating TO(s) and CAISO file with FERC an LGIA in unexecuted form. The LGIA shall be considered executed as of the date that all three Parties have signed the LGIA. As soon as practicable, but not later than ten (10) Business Days after receiving either the executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, the applicable Participating TO(s) and CAISO shall file the LGIA with FERC, as necessary, together with an explanation of any matters as to which the Interconnection Customer and the applicable Participating TO(s) or CAISO disagree and support for the costs that the applicable Participating TO(s) propose to charge to the Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by the applicable Participating TO(s) and CAISO for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.

If the Interconnection Customer executes the final LGIA, the applicable Participating TO(s), CAISO and the Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, the Interconnection Customer, applicable Participating TO(s) and CAISO may proceed to comply with the unexecuted LGIA, pending FERC action.

11.5 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook.

The Interconnection Customer's Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the applicable Participating TO's Interconnection Handbook.

Section 12 Construction of Participating TO's Interconnection Facilities and Network Upgrades, and Funding of Network Upgrades.

12.1 Schedule.

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

12.2 Construction Sequencing.

12.2.1 General.

In general, the sequence of construction of Stand Alone Network Upgrades or other Network Upgrades for a single Interconnection Request, or Network Upgrades identified for the interconnection of Generating Facilities associated with multiple Interconnection Requests, shall be determined, to the maximum extent practical, in a manner that accommodates the proposed Commercial Operation Date set forth in the LGIA of the Interconnection Customer(s) associated with the Stand Alone Network Upgrades or other Network Upgrades.

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

The applicable Participating TO(s) shall be responsible for financing and constructing any Network Upgrades necessary to support the interconnection of the Generating Facility of an Interconnection Customer with an LGIA under this LGIP, whenever either:

- (i) the Network Upgrades were included in the Interconnection Base Case Data for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed LGIA (or its equivalent predecessor agreement) or unexecuted LGIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed because such LGIA or equivalent predecessor agreement was subsequently terminated or the Interconnection Request has otherwise been withdrawn; or
- (ii) the Network Upgrades were included in the Interconnection Base Case Data for a Phase II Interconnection Study on the basis that they were Network Upgrades associated with Generating Facilities of Interconnection Customers that have an executed LGIA (or its equivalent predecessor agreement) or unexecuted LGIA (or its equivalent predecessor agreement) filed with FERC, but the Network Upgrades will not otherwise be completed in time to support the Interconnection Customer's In-Service Date because construction has not commenced in accordance with the terms of such LGIA (or its equivalent predecessor agreement).

The obligation under this LGIP Section 12.2.2 arises only after the CAISO, in coordination with the applicable Participating TO(s), determines that the Network Upgrades remain needed to support the interconnection of the Interconnection Customer's Generating Facility notwithstanding, as applicable, the absence or delay of the Generating Facility that is contractually, or was previously contractually, associated with the Network Upgrades.

Further, to the extent the timing of such Network Upgrades was not accounted for in determining a reasonable Commercial Operation Date among the CAISO, applicable Participating TO(s), and the Interconnection Customer as part of the Phase II Interconnection Study, the applicable Participating TO(s) will use Reasonable Efforts to ensure that the construction of such Network Upgrades can accommodate the Interconnection Customer's proposed Commercial Operation Date. If, despite Reasonable Efforts, it is anticipated that the Network Upgrades cannot be constructed in time to accommodate the Interconnection Customer's proposed Commercial Operation Date, the Interconnection Customer may commit to pay the applicable Participating TO(s) any costs associated with expediting construction of the Network Upgrades to meet the original proposed Commercial Operation Date. The expediting costs under this LGIP Section 12.2.2 shall be in addition to the Interconnection Customer's cost responsibility assigned under LGIP Section 6.3.

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

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

12.3 Network Upgrades.

12.3.1 Initial Funding.

Unless the applicable Participating TO(s) elects to fund the full capital for identified Reliability and Delivery Network Upgrades, they shall be funded by the Interconnection Customer(s) either by means of drawing down the Interconnection Financial Security or by the provision of additional capital, at each Interconnection Customer's election, up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s) under LGIP Sections 7.3 and 7.4.

Where the applicable Participating TO(s) does not elect to fund the full capital for specific Reliability and Delivery Network Upgrades, the applicable Participating TO(s) shall be responsible for funding any capital costs for the Reliability and Delivery Network Upgrades that exceed the total cost responsibility assigned to the Interconnection Customer(s) under LGIP Sections 7.3 and 7.4.

- (a) Where the funding responsibility for any Reliability Network Upgrade or Delivery Network Upgrade has been assigned to a single Interconnection Customer in accordance with this LGIP, and the applicable Participating TO(s) has elected not to fund the full capital of the Reliability Network Upgrade or Delivery Network Upgrade, the applicable Participating TO(s) shall invoice the Interconnection Customer under LGIA Article 12.1 up to a maximum amount no greater than that established by the cost responsibility assigned to each Interconnection Customer(s) under LGIP Sections 7.3 and 7.4 for the Reliability Network Upgrade or Delivery Network Upgrade, respectively.
- (b) Where the funding responsibility for a Reliability Network Upgrade has been assigned to more than one Interconnection Customer in accordance with this LGIP, and the applicable Participating TO(s) has elected not to fund the full capital of the Reliability Network Upgrade, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12 for such Reliability Network Upgrade based on the ratio of the maximum megawatt electrical output of each new Large Generating Facility or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed the Generating Facility's Interconnection Request to the aggregate maximum megawatt electrical output of all such new Large Generating Facilities and increases in the generating capacity of existing Generating Facilities assigned responsibility for such Reliability Network Upgrade. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility assigned to that Interconnection Customer under LGIP Section 7.3.
- (c) Where the funding responsibility for a Delivery Network Upgrade has been assigned to more than one Interconnection Customer in accordance with this LGIP, and the applicable Participating TO(s) has elected not to fund the full capital of the Delivery Network Upgrade, the applicable Participating TO(s) shall invoice each Interconnection Customer under LGIA Article 12 for such Delivery Network Upgrade based on the percentage flow impact of each assigned Large Generating Facility on each Delivery Network Upgrade as determined by the Generation distribution factor methodology used in the On-Peak and Off-Peak Deliverability Assessments performed in the Phase II Interconnection Study. Each Interconnection Customer may be invoiced up to a maximum amount no greater than that established by the cost responsibility assigned to that Interconnection Customer under LGIP Section 7.4.

Any permissible extension of the Commercial Operation Date of a Large Generating Facility will not alter the Interconnection Customer's obligation to finance Network Upgrades where the Network Upgrades are required to meet the earlier Commercial Operation Date(s) of other Large Generating Facilities that have also been assigned cost responsibility for the Network Upgrades.

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

Upon the Commercial Operation Date of the Large Generating Facility, which shall be the Commercial Operation Date of the entire Large Generating Facility, if phased, the Interconnection Customer shall be entitled to a repayment for the Interconnection Customer's contribution to the cost of Network Upgrades in accordance with its cost responsibility assigned under LGIP Sections 7.3 and 7.4. Such amount shall be paid to the Interconnection Customer by the applicable Participating TO(s) on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Large Generating Facility's 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 of the Commercial Operation Date. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. The Interconnection Customer may assign such repayment rights to any person.

Instead of direct payments, the Interconnection Customer may elect to receive Firm Transmission Rights (FTRs) in accordance with the CAISO Tariff associated with the Network Upgrades, or portions thereof, that were funded by the Interconnection Customer, to the extent such FTRs or alternative rights are available under the CAISO Tariff at the time of the election. Such FTRs would take effect upon the Commercial Operation Date of the Large Generating Facility, which shall be the Commercial Operation Date of the entire Large Generating Facility, if phased, in accordance with the LGIA.

12.4 Special Provisions for Affected Systems and Other Affected Participating TOs.

The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected Participating TO(s), as applicable. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected Participating TO(s) as well as the repayment by the owner of the Affected System and/or other affected Participating TO(s). If the affected entity is another Participating TO, the initial form of agreement will be the LGIA, as appropriately modified.

Any repayment by the owner of the Affected System shall be in accordance with FERC Order No. 2003-B (109 FERC ¶ 61,287).

Section 13 Miscellaneous.

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing.

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

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

The confidentiality provisions of this LGIP are limited to information provided pursuant to this LGIP.

13.1.1 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of the LGIA; or (6) is required, in accordance with LGIP Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIP. 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.

13.1.2 Release of Confidential Information.

No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by FERC's Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this LGIP Section 13.1 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 LGIP Section 13.1.

13.1.3 Rights.

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

13.1.4 No Warranties.

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of the LGIP. 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.

13.1.7 Remedies.

Monetary damages are inadequate to compensate a Party for another Party's breach of its obligations under this LGIP Section 13.1. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this LGIP Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the breach of this LGIP Section 13.1, but shall be in addition to all other remedies available at law or in equity.

Further, the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this LGIP Section 13.1.

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

Notwithstanding anything in this LGIP Section 13.1 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other applicable Parties when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in LGIP Section 13.1.8, any Confidential Information shall not be disclosed by the other Parties to any person not employed or retained by the other Parties, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Parties, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

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

13.1.11 The Participating TO or CAISO shall, at the Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.

The CAISO and the Participating TOs may use the services of subcontractors as deemed appropriate to perform their obligations under this LGIP. The applicable Participating TO or CAISO shall remain primarily liable to the Interconnection Customer for the performance of its respective subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 [NOT USED]

13.4 [NOT USED]

13.5 Disputes.

If an Interconnection Customer disputes withdrawal of its Interconnection Request under LGIP Section 3.8, the CAISO will forward any information regarding the disputed withdrawal received under LGIP Section 3.8 within one (1) Business Day to the LGIP Executive Dispute Committee, consisting of the Vice President responsible for administration of this LGIP, the CAISO Vice President responsible for customer affairs, and an additional Vice President. The LGIP Executive Dispute Committee shall have five (5) Business Days to determine whether or not to restore the Interconnection Request. If the LGIP Executive Dispute Committee concludes that the Interconnection Request should have been withdrawn, the Interconnection Customer may seek relief in accordance with the CAISO ADR Procedures.

All disputes, other than those arising from LGIP Section 3.8, arising out of or in connection with this LGIP whereby relief is sought by or from the CAISO shall be settled in accordance with the CAISO ADR Procedures.

Disputes arising out of or in connection with this LGIP not subject to the CAISO ADR Procedures shall be resolved as follows:

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of the LGIA and LGIP.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) calendar days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this LGIP Section 13.5, the terms of this LGIP Section 13.5 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP 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.

13.5.4 Costs.

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

13.6 Local Furnishing Bonds.

13.6.1 Participating TOs That Own Facilities Financed by Local Furnishing Bonds.

This provision is applicable only to a Participating TO that has financed facilities for the local furnishing of electric energy with Local Furnishing Bonds. Notwithstanding any other provisions of this LGIP, the Participating TO and the CAISO shall not be required to provide Interconnection Service to the Interconnection Customer pursuant to this LGIP and the LGIA if the provision of such Interconnection Service would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If a Participating TO determines that the provision of Interconnection Service requested by the Interconnection Customer would jeopardize the tax-exempt status of any Local Furnishing Bond(s) issued for the benefit of the Participating TO, it shall advise the Interconnection Customer and the CAISO within (30) calendar days of receipt of the Interconnection Request.

The Interconnection Customer thereafter may renew its request for the same interconnection Service by tendering an application under Section 211 of the Federal Power Act, in which case the Participating TO, within ten (10) calendar days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, and the CAISO and Participating TO shall provide the requested Interconnection Service pursuant to the terms and conditions set forth in this LGIP and the LGIA.

13.7 Change in CAISO Operational Control.

If the CAISO no longer has control of the portion of the CAISO Controlled Grid at the Point of Interconnection during the period when an Interconnection Request is pending, the CAISO shall transfer to the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net deposit amount and the costs that the former Participating TO or successor entity incurs to evaluate the request for interconnection shall be paid by or refunded to the Interconnection Customer, as appropriate. The CAISO shall coordinate with the applicable former Participating TO or successor entity which has ownership of the Point of Interconnection to complete any Interconnection Study, as appropriate, that the CAISO has begun but has not completed. If the CAISO has tendered a draft LGIA to the Interconnection Customer but the Interconnection Customer has neither executed the LGIA nor requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, the Interconnection Customer must complete negotiations with the applicable former Participating TO or successor entity which has the ownership of the Point of Interconnection.

**APPENDIX 1 to LGIP
INTERCONNECTION REQUEST**

Provide three copies of this completed form pursuant to Section 7 of this LGIP Appendix 1 below.

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with the CAISO Controlled Grid pursuant to the CAISO Tariff.
2. This Interconnection Request is for (check one):
____ A proposed new Large Generating Facility.
____ An increase in the generating capacity or a Material Modification to an existing Generating Facility.
3. Requested Deliverability Status is for (check one):
 Full Capacity
 Energy Only
4. The Interconnection Customer provides the following information:
 - a. Address or location, including the county, of the proposed new Large Generating Facility site or, in the case of an existing Generating Facility, the name and specific location, including the county, of the existing Generating Facility;

Project Name:

Project Location:
Street Address:
City, State:
County:
Zip Code:
 - b. Maximum megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

Maximum megawatt electrical output (Net MW): or
Megawatt increase (Net MW):

- c. Type of project (i.e., gas turbine, hydro, wind, etc.) and general description of the equipment configuration;

- | | |
|---|---|
| <input type="checkbox"/> Cogeneration | <input type="checkbox"/> Reciprocating Engine |
| <input type="checkbox"/> Biomass | <input type="checkbox"/> Steam Turbine |
| <input type="checkbox"/> Gas Turbine | <input type="checkbox"/> Wind |
| <input type="checkbox"/> Hydro | <input type="checkbox"/> Photovoltaic |
| <input type="checkbox"/> Combined Cycle | |

Other (please describe):

General description of the equipment configuration:

- d. Proposed In-Service Date, Trial Operation date and Commercial Operation Date by day, month, and year and term of service (dates must be sequential);

Proposed In-Service Date:	/	/
Proposed Trial Operation date:	/	/
Proposed Commercial Operation Date:	/	/
Proposed Term of Service (years):		

- e. Name, address, telephone number, and e-mail address of the Interconnection Customer's contact person;

Name:
Title:
Company Name:
Street Address:
City, State:
Zip Code:
Phone Number:
Fax Number:
Email Address:
Interconnection
Customer's
DUNS Number

- f. Approximate location of the proposed Point of Interconnection (i.e., specify interconnection point, voltage level, and the location of interconnection); and
- g. Interconnection Customer data (set forth in Attachment A)

The Interconnection Customer shall provide to the CAISO the technical data called for in LGIP Appendix 1, Attachment A. Three (3) copies are required.

5. Applicable deposit amount as specified in the LGIP made payable to California ISO. Send check to CAISO along with the:
1. Appendix 1 to LGIP (Interconnection Request) for processing.
 2. Attachment A to Appendix 1 (Interconnection Request Large Generating Facility Data).

6. Evidence of Site Exclusivity as specified in the LGIP and name(s), address(es) and contact information of site owner(s) (check one):

Is attached to this Interconnection Request
 Deposit in lieu of Site Exclusivity attached, Site Exclusivity will be provided at a later date in accordance with this LGIP

7. This Interconnection Request shall be submitted to the representative indicated below:

New Resource Interconnection
California ISO
P.O. Box 639014
Folsom, CA 95763-9014

Overnight address: 151 Blue Ravine Road, Folsom, CA 95630

8. Representative of the Interconnection Customer to contact:

[To be completed by the Interconnection Customer]

Name:

Title:

Company Name:

Street Address:

City, State:

Zip Code:

Phone Number:

Fax Number:

Email Address:

9. This Interconnection Request is submitted by:

Legal name of the Interconnection Customer:

By (signature):

Name (type or print):

Title:

Date:

**Attachment A
To LGIP Appendix 1
Interconnection Request**

LARGE GENERATING FACILITY DATA

Provide three copies of this completed form pursuant to Section 7 of LGIP Appendix 1.

- 1. Provide two original prints and one reproducible copy (no larger than 36" x 24") of the following:**
 - A. Site drawing to scale, showing generator location and Point of Interconnection with the CAISO Controlled Grid.
 - B. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers. For wind generator farms, the one line diagram should include the distribution lines connecting the various groups of generating units, the generator capacitor banks, the step up transformers, the distribution lines, and the substation transformers and capacitor banks at the Point of Interconnection with the CAISO Controlled Grid.

- 2. Generating Facility Information**
 - A. Total Generating Facility rated output (kW): _____
 - B. Generating Facility auxiliary Load (kW): _____
 - C. Project net capacity (kW): _____
 - D. Standby Load when Generating Facility is off-line (kW): _____
 - E. Number of Generating Units: _____
(Please repeat the following items for each generator)
 - F. Individual generator rated output (kW for each unit): _____
 - G. Manufacturer: _____
 - H. Year Manufactured: _____
 - I. Nominal Terminal Voltage: _____
 - J. Rated Power Factor (%): _____
 - K. Type (Induction, Synchronous, D.C. with Inverter): _____
 - L. Phase (3 phase or single phase): _____
 - M. Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded): _____
 - N. Generator Voltage Regulation Range: _____
 - O. Generator Power Factor Regulation Range: _____
 - P. For combined cycle plants, specify the plant output for an outage of the steam turbine or an outage of a single combustion turbine:

3. Synchronous Generator – General Information:

(Please repeat the following for each generator)

- A. Rated Generator speed (rpm): _____
- B. Rated MVA: _____
- C. Rated Generator Power Factor: _____
- D. Generator Efficiency at Rated Load (%): _____
- E. Moment of Inertia (including prime mover): _____
- F. Inertia Time Constant (on machine base) H: _____ sec or MJ/MVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): _____
- H. Please attach generator reactive capability curves.
- I. Rated Hydrogen Cooling Pressure in psig (Steam Units only): _____
- J. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

4. Excitation System Information

(Please repeat the following for each generator)

- A. Indicate the Manufacturer _____ and Type _____ of excitation system used for the generator. For exciter type, please choose from 1 to 8 below or describe the specific excitation system.
 - (1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
 - (2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
 - (3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
 - (4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
 - (5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
 - (6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
 - (7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
 - (8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).
- B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system.
- C. Excitation system response ratio (ASA): _____
- D. Full load rated exciter output voltage: _____
- E. Maximum exciter output voltage (ceiling voltage): _____
- F. Other comments regarding the excitation system?

5. Power System Stabilizer Information.

(Please repeat the following for each generator. All new generators are required to install PSS unless an exemption has been obtained from WECC. Such an exemption can be obtained for units that do not have suitable excitation systems.)

- A. Manufacturer: _____
- B. Is the PSS digital or analog? _____
- C. Note the input signal source for the PSS?
_____ Bus frequency _____ Shaft speed _____ Bus Voltage
_____ Other (specify source)
- D. Please attach a copy of a block diagram of the PSS from the PSS Instruction Manual and the correspondence between dial settings and the time constants or PSS gain.
- E. Other comments regarding the PSS?

6. Turbine-Governor Information

(Please repeat the following for each generator)

Please complete Part A for steam, gas or combined-cycle turbines, Part B for hydro turbines, and Part C for both.

- A. Steam, gas or combined-cycle turbines:
 - (1) List type of unit (Steam, Gas, or Combined-cycle): _____
 - (2) If steam or combined-cycle, does the turbine system have a reheat process (i.e., both high and low pressure turbines)? _____
 - (3) If steam with reheat process, or if combined-cycle, indicate in the space provided, the percent of full load power produced by each turbine:
Low pressure turbine or gas turbine: _____%
High pressure turbine or steam turbine: _____%
- B. Hydro turbines:
 - (1) Turbine efficiency at rated load: _____%
 - (2) Length of penstock: _____ft
 - (3) Average cross-sectional area of the penstock: _____ft²
 - (4) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ft
 - (5) Is the water supply run-of-the-river or reservoir: _____
 - (6) Water flow rate at the typical maximum head: _____ft³/sec
 - (7) Average energy rate: _____kW-hrs/acre-ft
 - (8) Estimated yearly energy production: _____kW-hrs

C. Complete this section for each machine, independent of the turbine type.

- (1) Turbine manufacturer: _____
- (2) Maximum turbine power output: _____ MW
- (3) Minimum turbine power output (while on line): _____ MW
- (4) Governor information:
 - (a) Droop setting (speed regulation): _____
 - (b) Is the governor mechanical-hydraulic or electro-hydraulic (Electro-hydraulic governors have an electronic speed sensor and transducer.)?

 - (c) Other comments regarding the turbine governor system?

7. Synchronous Generator and Associated Equipment – Dynamic Models:

For each generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the General Electric PSLF Program Manual and provide the required input data. The manual is available on the GE website at www.gepower.com. Select the following links within the website: 1) Our Businesses, 2) GE Power Systems, 3) Energy Consulting, 4) GE PSLF Software, 5) GE PSLF User's Manual.

There are links within the GE PSLF User's Manual to detailed descriptions of specific models, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. The block diagrams are also available on the CAISO Website.

If you require assistance in developing the models, we suggest you contact General Electric. Accurate models are important to obtain accurate study results. Costs associated with any changes in facility requirements that are due to differences between model data provided by the generation developer and the actual generator test data, may be the responsibility of the generation developer.

8. Induction Generator Data:

- A. Rated Generator Power Factor at rated load: _____
- B. Moment of Inertia (including prime mover): _____
- C. Do you wish reclose blocking? Yes ____, No ____
Note: Sufficient capacitance may be on the line now, or in the future, and the generator may self-excite unexpectedly.

9. Generator Short Circuit Data

For each generator, provide the following reactances expressed in p.u. on the generator base:

- $X''1$ – positive sequence subtransient reactance: _____
- $X''2$ – negative sequence subtransient reactance: _____
- $X''0$ – zero sequence subtransient reactance: _____

Generator Grounding:

- A. _____ Solidly grounded
B. _____ Grounded through an impedance
Impedance value in p.u on generator base. R: _____ p.u.
X: _____ p.u.
C. _____ Ungrounded

10. Step-Up Transformer Data

For each step-up transformer, fill out the data form provided in Table 1.

11. Line Data

There is no need to provide data for new lines that are to be planned by the Participating TO. However, for transmission lines that are to be planned by the generation developer, please provide the following information:

Nominal Voltage: _____
Line Length (miles): _____
Line termination Points: _____
Conductor Type: _____ Size: _____
If bundled. Number per phase: _____, Bundle spacing: _____ in.
Phase Configuration. Vertical: _____, Horizontal: _____
Phase Spacing (ft): A-B: _____, B-C: _____, C-A: _____
Distance of lowest conductor to Ground: _____ ft
Ground Wire Type: _____ Size: _____ Distance to Ground: _____ ft
Attach Tower Configuration Diagram
Summer line ratings in amperes (normal and emergency) _____
Resistance (R): _____ p.u.**
Reactance: (X): _____ p.u.**
Line Charging (B/2): _____ p.u.**

** On 100-MVA and nominal line voltage (kV) Base

12. Wind Generators

Number of generators to be interconnected pursuant to this Interconnection Request: _____

Elevation: _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:

List of adjustable setpoints for the protective equipment or software:

Field Volts: _____

Field Amperes: _____

Motoring Power (kW): _____

Neutral Grounding Resistor (If Applicable): _____

I_2^2t or K (Heating Time Constant): _____

Rotor Resistance: _____

Stator Resistance: _____

Stator Reactance: _____

Rotor Reactance: _____

Magnetizing Reactance: _____

Short Circuit Reactance: _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device then they shall be provided and discussed at Scoping Meeting.

TABLE 1
 TRANSFORMER DATA

UNIT _____

NUMBER OF TRANSFORMERS _____ PHASE _____

RATED KVA	H Winding	X Winding	Y Winding
Connection (Delta, Wye, Gnd.)	_____	_____	_____
55 C Rise	_____	_____	_____
65 C Rise	_____	_____	_____
RATED VOLTAGE	_____	_____	_____
BIL	_____	_____	_____
AVAILABLE TAPS (planned or existing)	_____	_____	_____
LOAD TAP CHANGER?	_____	_____	_____
TAP SETTINGS	_____	_____	_____
COOLING TYPE : OA _____	OA/FA _____	OA/FA/FA _____	OA/FOA _____
IMPEDANCE	H-X	H-Y	X-Y
Percent	_____	_____	_____
MVA Base	_____	_____	_____
Tested Taps	_____	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	_____	_____	_____

CURRENT TRANSFORMER RATIOS

H _____ X _____ Y _____ N _____

PERCENT EXCITING CURRENT 100 % Voltage; _____ 110% Voltage _____

Supply copy of nameplate and manufacture's test report when available

Appendix 2 to

**Large Generator Interconnection Procedures (LGIP)
Relating to the Transition Cluster**

Section 1. Objective, Applicability and Definitions.

1.1 Objective and Applicability.

The objective of this Appendix 2 to the Large Generator Interconnection Procedures (LGIP) is to implement the requirements for interconnecting to the CAISO Controlled Grid those Generating Facilities assigned to the Transition Cluster. All Interconnection Requests assigned to the Transition Cluster shall be deemed to have been assigned to a Queue Cluster Window for purposes of LGIP Section 1.1 and therefore all provisions of the LGIP apply to Generating Facilities included in the Transition Cluster, except as set forth herein.

1.2 Definitions.

1.2.1 Master Definitions Supplement and Other General Definition Rules.

Unless the context otherwise requires, any word or expression defined in the Master Definitions Supplement, Appendix A to the CAISO Tariff, shall have the same meaning where used in this Appendix 2 to the LGIP. Further, unless the context otherwise requires, any word or expression defined in LGIP Section 1.2 shall have the same meaning where used in this Appendix 2 to the LGIP. References to LGIP in this Appendix 2 are to Appendix GG of the CAISO Tariff.

1.2.2 Special Definitions for this LGIP Appendix 2.

In this Appendix 2 to the LGIP, the following words and expressions shall have the meanings set opposite them:

“Serial Study Group” shall mean the collection of valid Interconnection Requests with an assigned Queue Position on or before June 1, 2008 studied in accordance with the interconnection procedures set forth in the version of the LGIP set forth in CAISO Tariff Appendix U as permitted by the decision of FERC in Docket No. ER08-960-000.

“Transition Cluster” shall mean the collection of valid Interconnection Requests with an assigned Queue Position on or before June 1, 2008 that were not included as part of the Serial Study Group by the decision of FERC in Docket No. ER08-960-000.

“Transition Cluster Interconnection Study Deposit” shall mean, for each Interconnection Request in the Transition Cluster other than those subject to Section 3.2 of this Appendix 2 to the LGIP, the difference between (i) \$250,000 and (ii) the total amount the Interconnection Customer has been charged for Interconnection Studies performed under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement plus the balance of any remaining deposit provided under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement. For an Interconnection Request subject to Section 3.2 of this Appendix 2 to the LGIP, the amount of the Transition Cluster Interconnection Study Deposit shall be the difference between (i) \$100,000 and (ii) the total amount the Interconnection Customer has been charged for Interconnection Studies performed under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement plus the balance of any remaining deposit provided under an Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, or Interconnection Facilities Study Agreement.

2. Queue Position.

The Queue Position of any Interconnection Request included in the Transition Cluster shall be deemed to be lower than that of any Interconnection Request included in the Serial Study Group for purposes of performing Interconnection Studies for Large Generating Facilities whose Interconnection Requests are in the Serial Study Group.

3. Requirements to Remain in the Transition Cluster.

3.1 General Requirements for Large Generating Facilities.

An Interconnection Request deemed to be included in the Transition Cluster in accordance with the decision of FERC in Docket No. ER08-960-000 will be deemed to have been withdrawn from the Transition Cluster unless the Interconnection Customer provides, within sixty (60) calendar days from the effective date of this Appendix 2 to the LGIP, all of the following: (i) a Transition Cluster Interconnection Study Deposit, (ii) a statement of the requested deliverability status, (iii) a preferred Point of Interconnection and voltage level and all other technical data required by the LGIP, if not already submitted to the CAISO, and (iv) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity must be, at a minimum, through the anticipated Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

Section 3.8 of the LGIP shall not apply to a failure to satisfy the requirements of this Section 3.1 of this Appendix 2 to the LGIP.

3.2 Special Requirements for Certain Small and Existing Large Generating Facilities.

An Interconnection Customer with an Interconnection Request in the Transition Cluster relating to (a) a Small Generating Facility seeking a Deliverability Assessment or (b) a Generating Facility, subject to the LGIP in accordance with CAISO Tariff Section 25.1.1, that has achieved Commercial Operation prior to the date of the Interconnection Request, and is seeking to increase the capacity of the Generating Facility by less than 20 MW, will be deemed to have withdrawn its Interconnection Request from the Transition Cluster unless it provides, within sixty (60) calendar days from the effective date of this Appendix 2 to the LGIP, all of the following: (i) a Transition Cluster Interconnection Study Deposit, (ii) a statement of the requested deliverability status, (iii) a preferred Point of Interconnection and voltage level and all other technical data required by the LGIP, if not already submitted to the CAISO, and (iv) demonstration of Site Exclusivity or a posting of a Site Exclusivity Deposit of \$250,000. The demonstration of Site Exclusivity, at a minimum, must be through the Commercial Operation Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility.

Section 3.8 of the LGIP shall not apply to a failure to satisfy the requirements of this Section 3.2 of this Appendix 2 to the LGIP.

3.3 Communication of Transition Cluster Interconnection Study Deposit Amount.

The CAISO shall provide each Interconnection Customer with the amount of its Transition Cluster Interconnection Study Deposit within five (5) Business Days after the effective date of this Appendix 2 to the LGIP.

3.4 Use of the Transition Cluster Interconnection Study Deposit.

The CAISO shall deposit all Transition Cluster Interconnection Study Deposits in an interest bearing account at a bank or financial institution designated by the CAISO. The Transition Cluster Interconnection Study Deposit shall be applied to pay for prudent costs incurred by the CAISO, the Participating TOs, or third parties at the direction of the CAISO or Participating TOs, as applicable, to perform and administer the Interconnection Studies. The Transition Cluster Interconnection Study Deposit is not refundable.

Upon execution of an LGIA by an Interconnection Customer, the CAISO and the applicable Participating TO(s), or the approval by FERC of an unexecuted LGIA, the CAISO shall refund to the Interconnection Customer any portion of the Interconnection Customer's Transition Cluster Interconnection Study Deposit, including interest earned at the rate provided for in the interest-bearing account from the date of deposit to the date of withdrawal, that exceed the costs the CAISO, Participating TOs, or third parties have incurred on the Interconnection Customer's behalf.

Notwithstanding the foregoing, an Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request during an Interconnection Study Cycle shall be obligated to pay to the CAISO all costs in excess of the Transition Cluster Interconnection Study Deposit that have been prudently incurred or irrevocably have been committed to be incurred with respect to that Interconnection Request prior to withdrawal. The CAISO will reimburse the applicable Participating TO(s) or third parties, as applicable, for all work performed associated with the Interconnection Request at the CAISO's direction. The Interconnection Customer must pay all monies due before it is allowed to obtain any Interconnection Study data or results.

All non-refundable portions of the Transition Cluster Interconnection Study Deposit that exceed the costs the CAISO, Participating TOs, or third parties have incurred on the Interconnection Customer's behalf shall be treated in accordance with CAISO Tariff Section 37.9.4.

3.5 Obligation for Study Costs.

The CAISO shall charge and the Interconnection Customer shall pay the actual costs of the Interconnection Studies. The CAISO shall issue invoices for Interconnection Studies that shall include a detailed and itemized accounting of the cost of each Interconnection Study. The CAISO shall draw from the Transition Cluster Interconnection Study Deposit any undisputed costs within thirty (30) calendar days after issuance of an invoice therefor. Whenever the actual cost of performing the Interconnection Studies exceeds the Transition Cluster Interconnection Study Deposit, the Interconnection Customer shall pay the undisputed difference in accordance with the CAISO issued invoice within thirty (30) calendar days. The CAISO shall not be obligated to continue to have any studies conducted unless the Interconnection Customer has paid all undisputed amounts in compliance herewith. In the event an Interconnection Study is performed by the CAISO, the Interconnection Customer shall pay only the costs of those activities performed by the Participating TO to adequately review or validate that Interconnection Study.

4. Phase I Interconnection Study.

4.1 Grouping Interconnection Requests and Base Cases.

Interconnection Requests in the Transition Cluster shall be grouped in accordance with LGIP Section 6.1. Rather than Generation submitted during a Queue Cluster Window, the Interconnection Base Case Data for the Transition Cluster shall reflect the Generation from those Interconnection Requests that satisfy the requirements of Sections 3.1 and 3.2 of this Appendix 2 to the LGIP.

4.2 Schedule.

The Phase I Interconnection Study, as described in LGIP Section 6, including the grouping and Interconnection Base Case Data development, for the Transition Cluster shall commence no later than December 1, 2008 or sixty (60) calendar days after the effective date of this Appendix 2 to the LGIP, whichever is later. Results of the Phase I Interconnection Study shall be provided to the Interconnection Customer within two hundred forty (240) calendar days after commencement under this Section.

4.3 Results Meeting

Within sixty (60) calendar days after providing the Phase I Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s), the CAISO and the Interconnection Customer shall meet to discuss the results of the Phase I Interconnection Study, including assigned cost responsibility.

5. Phase II Interconnection Study.

5.1 Phase II Interconnection Study Procedures.

The Phase II Interconnection Study, as described in LGIP Section 7, for the Transition Cluster shall commence no later than one hundred twenty (120) calendar days after publication of the Phase I Interconnection Study report. Results of the Phase II Interconnection Study shall be provided to the Interconnection Customer within three hundred thirty (330) calendar days after commencement under this Section.

5.2 Coordination of the Phase II Interconnection Study with the Transmission Planning Process.

As part of the Uniform Planning Assumptions and Study Plan developed under Section 24 in Appendix EE of the CAISO Tariff during calendar year 2009, the CAISO shall include technical analyses intended to identify, at a minimum, conceptual transmission upgrades that may access proposed Large Generating Facilities included in the Transition Cluster that are located in Energy Resource Areas.

6. Interconnection Financial Security.

The provisions of LGIP Section 9 shall apply to the Transition Cluster, except that the initial posting of Interconnection Financial Security under LGIP Section 9.2 in Appendix GG shall be required on or before one hundred twenty (120) calendar days after publication of the Phase I Interconnection Study report.

Appendix 3 to LGIP

LARGE GENERATOR INTERCONNECTION STUDY PROCESS AGREEMENT

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

RECITALS

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

WHEREAS, the Interconnection Customer desires to interconnect the Large Generating Facility with the CAISO Controlled Grid; and

WHEREAS, the Interconnection Customer has requested the CAISO to conduct or cause to be performed Interconnection Studies to assess the system impact of interconnecting the Large Generating Facility to the CAISO Controlled Grid and to specify and estimate the cost of the equipment, engineering, procurement and construction work needed on the Participating TO's electric system in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the CAISO Controlled Grid;

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the CAISO's FERC-approved Large Generation Interconnection Procedures in CAISO Tariff Appendix GG ("LGIP") or the Master Definitions Supplement, Appendix A to the CAISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the CAISO shall conduct or cause to be performed Interconnection Studies, including any accelerated Interconnection Study, consistent with the LGIP in accordance with the CAISO Tariff.
- 3.0 The scope of the Interconnection Studies shall be subject to the assumptions set forth in Appendices A and B to this Agreement.

- 4.0 The Interconnection Studies will be based upon the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting, subject to any modifications in accordance with Section 6.7.2 of the LGIP and modifications to the proposed Commercial Operation Date of the Large Generating Facility permitted by the LGIP. The CAISO reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Studies. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the Interconnection Studies may be modified as specified in the LGIP.
- 5.0 The Interconnection Study report for each Interconnection Study shall provide the information specified in the LGIP.
- 6.0 The Interconnection Customer shall provide an Interconnection Study Deposit, a Site Exclusivity Deposit, if applicable, and other Interconnection Financial Security for the performance of the Interconnection Studies in accordance with the provisions of Sections 3.5.1 and 9 of the LGIP.

Following the issuance of an Interconnection Study report, the CAISO shall charge and the Interconnection Customer shall pay its share of the actual costs of the Interconnection Study pursuant to Sections 3.5.1 and 7.8 of the LGIP.

Any difference between the deposits made toward the Interconnection Study process and associated administrative costs, including any accelerated studies, and the actual cost of the Interconnection Studies and associated administrative costs shall be paid by or refunded to the Interconnection Customer, in the appropriate allocation, in accordance with Section 3.5.1 of the LGIP.

- 7.0 Pursuant to Section 3.7 of the LGIP, the CAISO will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems. The CAISO may provide a copy of the Phase I Interconnection Study results to an Affected System Operator and the Western Electricity Coordinating Council. Requests for review and input from Affected System Operators or the Western Electricity Coordinating Council may arrive at any time prior to interconnection.
- 8.0 Substantial portions of technical data and assumptions used to perform the Phase I Interconnection Study, such as system conditions, existing and planned generation, and unit modeling, may change after the CAISO provides the Interconnection Study results to the Interconnection Customer. Interconnection Study results will reflect available data at the time the CAISO provides the Phase I Interconnection Study report to the Interconnection Customer. The CAISO shall not be responsible for any additional costs, including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.

- 9.0 **[NOT USED]**
- 10.0 The CAISO shall maintain records and accounts of all costs incurred in performing the Interconnection Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the CAISO's offices and at its own expense, to audit the CAISO's records as necessary and as appropriate in order to verify costs incurred by the CAISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the CAISO representative, within one hundred eighty (180) calendar days following receipt by the Interconnection Customer of the CAISO's notification of the final costs of the Interconnection Study.
- 11.0 In accordance with Section 3.8 of the LGIP, the Interconnection Customer may withdraw its Interconnection Request at any time by written notice to the CAISO. Upon receipt of such notice, this Agreement shall terminate, subject to the requirements of Section 3.5.1 and 13.1 of the LGIP.
- 12.0 Pursuant to Section 4 of the LGIP, this Agreement shall become effective upon the date the fully executed Agreement is received by the CAISO. If the CAISO does not receive the fully executed Agreement and deposit or other Interconnection Financial Security pursuant to Section 3.5.1 of the LGIP, then the Interconnection Request will be deemed withdrawn upon the Interconnection Customer's receipt of written notice by the CAISO pursuant to Section 3.8 of the LGIP.
- 13.0 Miscellaneous.
- 13.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Agreement, shall be resolved in accordance with Section 13.5 of the LGIP.
- 13.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.
- 13.3 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 13.4 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

- 13.5 Rules of Interpretation. This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Agreement or such Appendix to this Agreement, or such Section of the 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 Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 13.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 13.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 13.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 13.9 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 13.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 13.11 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by both of the Parties.
- 13.12 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations.
- 13.13 Reservation of Rights. The CAISO shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 13.14 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

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

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[Insert name of the Interconnection Customer]

By: _____

Printed Name: _____

Title: _____

Date: _____

Appendix A

**Large Generator Interconnection
Study Process Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE
PHASE I INTERCONNECTION STUDY**

The Phase I Interconnection Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____, subject to any modifications in accordance with Section 6.7.2 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Deliverability status requested (full capacity or Energy only)

Appendix B

**Large Generator Interconnection
Study Process Agreement**

**DATA FORM TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER
PRIOR TO COMMENCEMENT OF THE PHASE II INTERCONNECTION STUDY**

Generating Facility size (MW): _____

Provide two copies of this completed form and other required plans and diagrams in accordance with Section 7.1 of the LGIP.

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

One set of metering is required for each generation connection to the new bus or existing CAISO Controlled Grid station. Number of generation connections: _____

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

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

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

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____Yes _____No
(Please indicate on one line).

What type of control system or PLC will be located at the Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to the Participating TO's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with the Participating TO or CAISO.

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

Yes No

Local service provider for auxiliary and other power: _____

Please provide proposed schedule dates:

Environmental survey start: _____

Environmental impact report submittal: _____

Procurement of project equipment: _____

Begin Construction Date: _____

Generator step-up transformer
receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

Level of Deliverability: Choose one of the following:

Energy Only

Full Capacity

Appendix 4 to LGIP

**AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO
LARGE GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY
AGREEMENTS**

This Agreement for the Allocation of Responsibilities With Regard to Large Generator Interconnection Procedures and Interconnection Study Agreements ("Agreement"), dated _____, is entered into between the California Independent System Operator Corporation ("CAISO") and **[NAME OF PTO]** _____ ("PTO"). The CAISO and PTO are jointly referred to as the "Parties" and individually, as a "Party."

WHEREAS, this Agreement will ensure an independent assessment of new Large Generating Facility impacts on the CAISO Controlled Grid and take advantage of the respective expertise of the Parties to facilitate efficient and cost effective Interconnection Study procedures in a manner consistent with the Federal Energy Regulatory Commission's ("FERC") July 1, 2005 Order (112 FERC ¶ 61,009), FERC's August 26, 2005 Order (112 FERC ¶ 61,231), and prior FERC Orders recognizing that Order No. 2003 did not allocate responsibilities between transmission owners and transmission providers for the provision of Interconnection Service and suggesting those parties enter into an agreement to allocate those responsibilities. Southwest Power Pool, Inc., 106 FERC ¶ 61,254 (2004).

NOW THEREFORE, in view of the respective responsibilities assigned to the Parties and the foregoing FERC orders, and the provisions of the CAISO's Large Generator Interconnection Procedures set forth in CAISO Tariff Appendix GG ("LGIP"), the CAISO and PTO agree to the following allocation of responsibilities for a centralized Interconnection Study process under the direction and oversight of the CAISO:

1. DEFINITIONS.

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the CAISO Tariff.

2. TERM OF AGREEMENT.

This Agreement shall become effective upon the date specified in the first paragraph above and shall remain in effect until (1) terminated by all Parties in writing, or (2) with respect to the PTO, upon the termination of that entity's status as a PTO pursuant to the Transmission Control Agreement, as amended from time to time.

3. PROVISIONS FOR ALLOCATION OF RESPONSIBILITIES BETWEEN CAISO AND PTO.

3.1 Interconnection Service: The Parties acknowledge that, as the transmission provider, the CAISO is responsible for reliably operating the transmission grid. The Parties also recognize that while the CAISO is a transmission provider under the CAISO Tariff, the CAISO does not own any transmission facilities, and the PTO owns, constructs, and maintains the facilities to which Large Generating Facilities are to be interconnected, and that the PTO may construct or modify facilities to allow the interconnection. While the Parties recognize that the CAISO will be responsible for conducting or causing to be performed Interconnection Studies and similar studies, the PTO will participate in these studies and conduct certain portions of studies, under the direction and oversight of, and approval by, the CAISO, as provided in this Agreement. The CAISO shall not enter into any Interconnection Study agreement with an Interconnection Customer that is contrary to these rights.

3.2 [INTENTIONALLY LEFT BLANK]

3.3 Transmission Owners' Right to Participation in Studies, Committees and Meetings:

3.3.1 In the event that an Interconnection Customer proposes to interconnect a Large Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in any Interconnection Study or any other study conducted in connection with such request for Interconnection Service. "Participate" in this Section 3.3.1 means physically perform any study or portion thereof in connection with an Interconnection Request, under the direction and oversight of, and approval by, the CAISO pursuant to Section 3.4 of this Agreement; provide or receive input, data or other information regarding any study or portion thereof consistent with Section 3.4 of this Agreement; and, when any study or portion thereof in connection with an Interconnection Request is physically performed by an entity other than the PTO, perform activities necessary to adequately review or validate, as appropriate, any results of the study or portions thereof and provide recommendations.

3.3.2 In the event that an Interconnection Customer proposes to interconnect a Large Generating Facility with the PTO's facilities, or the PTO is an owner of an affected system, the PTO shall have the right to participate in all meetings expressly established pursuant to the CAISO LGIP. As appropriate, the PTO may participate in all other material or substantive communications in connection with an Interconnection Request.

3.4 Interconnection Study Responsibility Allocation: In complying with its responsibility for conducting or causing to be performed Interconnection Studies, the CAISO will assign responsibility for performance of portions of the Interconnection Studies to the PTO, under the direction and oversight of, and approval by, the CAISO, as set forth in Attachment A, except as specifically qualified as follows:

3.4.1 For any tasks specifically assigned to the PTO pursuant to Attachment A or otherwise mutually agreed upon by the CAISO and the PTO, the CAISO reserves the right, on a case-by-case basis, to perform or reassign to a mutually agreed upon and pre-qualified contractor such task only where: (a) the quality and accuracy of prior PTO Interconnection Study work product resulting from assigned tasks has been deemed deficient by the CAISO, the CAISO has notified the PTO pursuant to the notice provision of Section 4.16 of this Agreement in writing of the deficiency, and the deficiency has not been cured pursuant to Section 3.4.2 of this Agreement; (b) the timeliness of PTO Interconnection Study work product has been deemed deficient, and either (i) the CAISO has not been notified of the reasons and actions taken to address the timeliness of the work, or (ii) if notified, the stated reasons and actions taken are insufficient or unjustifiable and the PTO has not cured the deficiency pursuant to Section 3.4.2 of this Agreement; (c) the PTO has failed, in a mutually agreed upon timeframe, to provide the CAISO with information or data related to an Interconnection Request despite a written request by the CAISO, pursuant to Section 3.5 hereof, to do so, and such data is the responsibility of the PTO to provide to the CAISO, subject to Section 4.3 of this Agreement; (d) the PTO

advises the CAISO in writing that it does not have the resources to adequately or timely perform the task according to the applicable timelines set forth in Attachment A; or (e) the estimated cost of the PTO performing the task has been determined in writing by the CAISO to significantly exceed the cost of the CAISO or mutually agreed upon contractor performing the task, inclusive of the costs that will be incurred by the PTO in exercising its review rights of the results of any such tasks performed by such third party(ies). If the CAISO deviates from the assignments set forth in Attachment A based on the foregoing factors, the CAISO will provide the PTO with a written explanation for the deviation and any associated reassignments of work. The PTO may contest the deviation pursuant to the Dispute Resolution procedures set forth in Section 4.1 of this Agreement.

Task(s) may only be reassigned in accordance with this Section 3.4.1 where the PTO has been deemed to be deficient in relation to that (those) particular task(s).

3.4.2 Cure for reassigned Interconnection Study work

The CAISO shall not reassign task(s) without the opportunity to cure, as specified in Section 3.4.1 of this Agreement. The following actions will serve to cure the deficiencies and result in restoring the assignment(s) as provided in Attachment A:

- (a) The CAISO and PTO shall negotiate in good faith and agree to a corrective action plan proposed by the PTO, including a reasonably adequate cure period, and the corrective action plan is satisfactorily implemented.
- (b) The CAISO determines the deficiency is cured without an action plan.

3.4.3 Assessment of prior PTO Interconnection Study work shall only be based on work conducted under the process that becomes effective concurrent with the effective date of this Agreement. Further, assessment of prior PTO Interconnection Study work shall be based on work conducted no earlier than the eighteen (18) month period prior to the date of the CAISO notice of deviation from assignments set forth in Attachment A to this Agreement.

3.5 Information Exchange: The PTO shall provide the CAISO, subject to confidentiality requirements in Section 4.3 of this Agreement, with any documentation or data requested by the CAISO reasonably necessary to permit the CAISO to perform, review, validate and approve any Interconnection Study, or portion thereof, performed by the PTO. The CAISO shall provide the PTO with any documentation or data requested by the PTO, subject to confidentiality requirements in Section 4.3 of this Agreement, reasonably necessary to perform, review, and validate any Interconnection Study, or portion thereof.

3.6 Consistency with Provisions for Centralized Interconnection Study Process: The CAISO and PTO have determined that the processes and allocation of responsibilities in Section 3.4 of this Agreement ensure that impacts to the CAISO Controlled Grid are independently assessed and that the assignment of responsibilities minimizes handoffs, takes advantage of non-transferable skills, and promotes the efficiency and cost-effectiveness of the centralized Interconnection Study processes, consistent with LGIP Section 3.2.

- 3.7 Re-Studies:** If any re-studies are required, the CAISO will confer with the PTO as to the need for a re-study. The CAISO will make the final determination regarding the need for a re-study, subject to dispute resolution procedures.
- 3.8 Use of Contractors:** Nothing in this Agreement shall prevent either the CAISO or the PTO from using qualified, mutually agreed upon third party contractors to meet that Party's rights or obligations under this Agreement or the LGIP. To promote the efficiency of the process, the CAISO and PTO will collaborate to identify a list of the mutually agreed to qualified contractors available to the Parties.
- 3.9 Performance Standards:** Each Party shall perform all of its obligations under the LGIP, this Agreement, and any FERC approved Interconnection Study procedures that may be adopted by the CAISO to implement the LGIP or this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice.
- 3.10 Recovery of Costs:** In accordance with Section 3.5.1 of the LGIP, the PTO shall recover all actual costs from the CAISO incurred in performing Interconnection Studies or portions thereof assigned to it by the CAISO, including all costs incurred in exercising its right to review, and make recommendations on, Interconnection Studies or portions thereof performed by the CAISO and/or contractors under Section 3.8 of this Agreement.

4. GENERAL TERMS AND CONDITIONS.

- 4.1 Dispute Resolution:** In the event any dispute regarding the terms, conditions, and performance of this Agreement is not settled informally, the Parties shall follow the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff.
- 4.2 Liability:** No Party to this Agreement shall be liable to any other Party for any direct, indirect, special, incidental or consequential losses, damages, claims, liabilities, costs or expenses (including attorneys fees and court costs) arising from the performance or non-performance of its obligations under this Agreement regardless of the cause (including intentional action, willful action, gross or ordinary negligence, or force majeure); provided, however, that a Party may seek equitable or other non-monetary relief as may be necessary to enforce this Agreement and that damages for which a Party may be liable to another Party under another agreement will not be considered damages under this Agreement.
- 4.3 Confidentiality:** Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.
- 4.4 Binding Effect:** This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 4.5 Conflicts:** In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

- 4.6 Rules of Interpretation:** This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section, Attachment, or Appendix means such Article or Section of this Agreement or such Attachment or Appendix to this Agreement, or such Section of the 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 Agreement as a whole and not to any particular Article or Section; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 4.7 Entire Agreement:** This Agreement, including all Attachments hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants, which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Agreement.
- 4.8 No Third Party Beneficiaries:** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 4.9 Waiver:** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing. Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 4.10 Headings:** The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.
- 4.11 Multiple Counterparts:** This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 4.12 Modification by the Parties:** The Parties may amend this Agreement and any Appendices to this Agreement only (1) by mutual agreement of the Parties by a written instrument duly executed by the Parties, subject to FERC approval or (2) upon the issuance of a FERC order, pursuant to Section 206 of the Federal Power Act. It is the Parties' intent that FERC's right to change any provision of this Agreement shall be limited to the maximum extent permissible by law and that any such change, if permissible, shall be in accordance with the Mobile-Sierra public interest standard applicable to fixed rate agreements. *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956). Such amendment shall become effective and a part of this Agreement upon satisfaction of all applicable laws and regulations. Notwithstanding the foregoing, Attachment B (Notices) may be modified as set forth in Section 4.15 of this Agreement, and the CAISO and the PTO may from time to time mutually agree to deviate from Attachment A in accordance with the provisions of this Agreement, however, such deviation shall be subject to Section 4.9 of this Agreement and not considered a course of dealing.
- 4.13 No Partnership:** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.
- 4.14 Assignment:** This Agreement may be assigned by a Party only with the written consent of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.
- 4.15 Notices:** Any notice, demand, or request provided in this Agreement, or served, given, or made in connection with it, will be in writing and deemed properly served, given, or made if delivered in person, transmitted by facsimile, or sent by United States mail, postage prepaid, to the persons specified in Attachment B hereto unless otherwise provided in this Agreement. Any Party may at any time, by notice to all other Parties, change the designation or address of the person specified in Attachment B as the person who receives notices pursuant to this Agreement.

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

California Independent System Operator Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

[NAME OF PTO]

By: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT A

INTERCONNECTION STUDY RESPONSIBILITY ALLOCATION

Description of Large Generator Interconnection Process: Roles and Responsibilities of CAISO and PTOs.

Purpose: This Attachment A to the “AGREEMENT FOR THE ALLOCATION OF RESPONSIBILITIES WITH REGARD TO LARGE GENERATOR INTERCONNECTION PROCEDURES AND INTERCONNECTION STUDY AGREEMENTS” serves as further clarification of the roles and responsibilities of the parties to this Agreement. The CAISO will assign responsibility for performance of portions of the Interconnection Studies to the relevant PTOs, under the direction and oversight of, and approval by, the CAISO, as set forth in this Attachment A. This document serves as a general overview of only the roles and responsibilities as between the CAISO and PTOs. This Agreement does not include the process steps, involvement or obligations of the Interconnection Customer (IC). This Agreement is not inclusive of all procedures necessary to comply with all provisions of the LGIA, LGIP and Large Generator Interconnection Study Process Agreement.

Interconnection Request (IR) Process

1. CAISO forwards the IR to the PTO within three (3) Business Days (BD) of receipt of IR from Interconnection Customer (IC)
2. PTO(s) provides any feed back regarding IR to CAISO within 3 BD
3. CAISO distributes draft Scoping Meeting minutes for review within 5 BD of Scoping Meeting.
4. PTO(s) provide any comments to the Scoping Meeting minutes within 2 BD of receipt of draft Scoping Meeting minutes.
5. CAISO issues the final Scoping Meeting minutes within 3 BD of receipt of comments.

Phase I Interconnection Study Timeline

Line	Initial (Phase I) Cluster Study	Typical Calendar Days	Timeline (Days)
1	CAISO and PTOs develop initial Generating Facility groups for initial Dispatch assumptions and cost allocation purposes (except for thermal overload mitigation).	7	1-7
2	PTOs develop draft Base Cases, each representing all Generating Facilities in the queue cluster, and deliver to CAISO.	21	1-21
3	PTO develops preferred and alternative, if applicable, direct interconnection plans, including the need for an Interconnection Grid Substation (IGS).	25	22-46
4	PTO develops draft contingency lists.	25	22-46
5	CAISO reviews and approves Base Cases and direct interconnection plans and merges them together, as needed. CAISO updates summer peak Base Cases to reflect withdrawn projects from previous queue cluster study. PTOs update off-peak Base Cases. CAISO reviews and approves contingency lists. PTO needs time to consider CAISO proposed changes.	21	47-67
6	CAISO provides Deliverability Assessment results identifying constrained facilities, using summer peak Base Cases, and prepares results summary and may propose mitigation plans for PTO review.	21	68-88
7	At the CAISO's direction, the PTO performs the off-peak Load Flow, and summer peak and off-peak Post Transient and Stability analyses and identifies mitigation solutions, as appropriate, and submits draft study results to CAISO for review and direction.	21	68-88
8	PTO develops mitigation plans for summer peak and off-peak or supplements CAISO proposed mitigation plans for consideration, as appropriate, and submits to CAISO for review and direction	21	89-109
9	CAISO retests Deliverability Assessment results with proposed Delivery Network Upgrades and withdrawn projects from previous cluster study removed. PTO reviews and comments on retest results.	14	110-123
10	CAISO develops shift factors for cost allocation purposes of all Network Upgrades associated with mitigating thermal overloads.	7	124-130
Short Circuit Duty (concurrent with the LF/PT/S)			
11	CAISO coordinates with other potentially affected facility owners. ¹	n/a	n/a

¹ In accordance with the WECC Short Circuit Duty Procedure

12	CAISO directs PTO to develop Base Case and run short circuit analysis.	21	46-66
13	PTO performs facilities review. (Note: possibly for feedback into the power flow studies and PTO mitigation plans.)	28	67-94
14	PTO prepares draft study results and submits to the CAISO for review and direction.	28	95-123
Facility cost estimates and schedules			
15	At the CAISO's direction, PTO(s) prepares cost estimates and schedules for the direct assignment facilities and Network Upgrades identified in the power flow, short circuit duty, post transient, and stability studies.	20	124-143
Final Report			
16	At the CAISO's direction, PTO(s) prepares draft report for impacts in its service territory.	7	144-150
17	CAISO compiles all results into a draft report that covers grid impacts, as appropriate. CAISO reviews integrated draft report and submits comments, recommendations and direction to the PTO.	9	151-159
18	PTO incorporates CAISO's directions, conclusions and recommendations. If CAISO conclusions and recommendations conflict with PTO conclusions, then CAISO and PTO must coordinate to resolve conflicts. Any remaining conflicts must be noted in the final report.	14	160-173
19	PTO submits final draft report to the CAISO. The CAISO will finalize the report and tender the CAISO approved report to the ICs.		
Final Study Report			
20	CAISO provides final approved report to ICs, PTO, and any applicable Affected Systems.	7	174-180

Phase II Interconnection Study Process**

**All Interconnection Studies will be under the direction and oversight of, and approval by, the CAISO and may involve more than one PTO.

Line	Standard Project Refinement and Facilities Study	Typical Calendar Days	Timeline (Days)
21	PTOs update Base Cases from Phase I Interconnection Study line 5 to remove projects that have withdrawn.	30	1-30
22	CAISO reviews and approves Base Cases.		
23	CAISO and PTOs update studies performed in Phase I lines 6-14 using Base Cases from line 22. Additional alternatives may be considered that address future generation development potential, meet load serving capability, and economic benefit objectives, and phased development and option value of transmission projects to address uncertainty.	120	31-150

23.1	Projects from line 23 requiring CPUC or CAISO Governing Board approval may need to go through the Transmission Planning Process stakeholder process. After completing the stakeholder review process, these projects would proceed through the activities described in lines 24 through 32. Projects not requiring CPUC or CAISO Governing Board approval, or that have already gone through a stakeholder process, would proceed immediately to the activities described in lines 24 through 32. (See Appendix C of the CAISO's proposal for the generator interconnection process reform.)		
24	PTOs develop draft off-peak and summer peak operating year Base Cases as appropriate where each case includes all Generating Facilities in Phase II Interconnection Study having the same operating date and deliver to CAISO.	30	151-180*
25	CAISO reviews and approves cases from line 24.		
26	At the CAISO's direction, the PTOs perform operational studies using cases from line 25 to determine Network Upgrade requirements for each study year and identify any special operational requirements to connect projects in the year of study.	45	181-225*
27	At the CAISO's direction, the PTOs perform additional operational studies to identify the optimal approach for building out the overall plan of service on a segmented (i.e. building block) basis acknowledging that portions of the overall plan of service may be staged in segments over time.	30	226-255*
Final Plan of Service Report			
28	At the CAISO's direction, PTO(s) prepares draft plan of service report.	7	256-262*
29	CAISO reviews draft plan of service report and submits comments, recommendations and direction to the PTO.	9	263-271*
30	PTO incorporates CAISO directions, conclusions and recommendations. If CAISO conclusions and recommendations conflict with PTO conclusions, then CAISO and PTO must coordinate to resolve conflicts. Any remaining conflicts must be noted in the final report.	14	272-285*
31	PTO submits final draft report to the CAISO. The CAISO will finalize the report.		
Facility Costs and Schedules			
32	At the CAISO's direction, PTO(s) prepares detailed cost estimates and schedules for the direct assignment facilities and Network Upgrades identified in the overall plan of service and including individual segments.	75	256-330*

* For projects going through the Transmission Planning Process as described in Line 23.1, the activities in lines 24 through 32 may be delayed until the Network Upgrade plan is approved through the Transmission Planning Process. However, the subsequent cluster study would proceed on schedule based on the plan of service from line 23.

ATTACHMENT B
CONTACTS FOR NOTICES

[Section 4.15]

California ISO

Manager, Transmission Engineering
151 Blue Ravine Road
Folsom, CA 95630
Phone: 916.351.2104
Fax: 916.351.2264

[NAME OF PTO]

[Address of PTO]

**Attachment A4 – Clean Sheets Reflecting New Effective Date
Generation Interconnection Process Reform Amendment Filing
Currently Effective CAISO Tariff
November 25, 2008**

CAISO TARIFF APPENDIX HH

**Large Generator Interconnection Agreement
for Interconnection Requests in a Queue Cluster Window**

LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)
[INTERCONNECTION CUSTOMER]
[PARTICIPATING TO]
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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LARGE GENERATOR INTERCONNECTION AGREEMENT

[INTERCONNECTION CUSTOMER]

[PARTICIPATING TO]

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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

RECITALS

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

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

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

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

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

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

ARTICLE 1. DEFINITIONS

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

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

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

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

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

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

Balancing Authority shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

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

Base Case shall mean the base case power flow, short circuit, and stability 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.

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

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

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

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

Commercial Operation Date of an Electric Generating Unit or project phase shall mean the date on which the Electric Generating Unit or project phase at the Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to this LGIA, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Electric Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Electric Generating Units or project phases.

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.

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

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

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

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

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

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the CAISO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the CAISO Controlled Grid or the electric systems of others to which the CAISO Controlled Grid is directly connected; (3) that, in the case of the Participating TO, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Participating TO's Transmission System, Participating TO's Interconnection Facilities, Distribution System, or the electric systems of others to which the Participating TO's electric system is directly connected; or (4) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

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

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

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

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

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

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 any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

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

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

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

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

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

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

Interconnection Financial Security shall have the meaning assigned to it in Section 1.2 of the LGIP.

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

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

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

Interconnection Study shall mean either of the following studies: the Phase I Interconnection Study or the Phase II Interconnection Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), pursuant to the Large Generator Interconnection Procedures.

IRS shall mean the Internal Revenue Service.

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

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

Large Generator Interconnection Study Process Agreement shall mean the agreement between the Interconnection Customer and the CAISO for the conduct of the Interconnection Studies.

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

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

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

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

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

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

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

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

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

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

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

Phase I Interconnection Study shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment (as defined in the CAISO Tariff), and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures. The study will also identify the approximate total costs, based on per unit costs, of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study shall mean an engineering and operational study conducted or caused to be performed by the CAISO once per calendar year, in coordination with the applicable Participating TO(s), to determine the Point of Interconnection and a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility(ies) with the Participating TO's Transmission System.

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.

QF PGA shall mean a Qualifying Facility Participating Generator Agreement specifying the special provisions for the operating relationship between a Qualifying Facility and the CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO Tariff.

Qualifying Facility shall mean a qualifying cogeneration facility or qualifying small power production facility, as defined in the Code of Federal Regulations, Title 18, Part 292 (18 C.F.R. §292).

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(s), other Affected Systems, and the CAISO 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 CAISO Controlled Grid or Affected Systems during their construction. The Participating TO, the CAISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to this LGIA.

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

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

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

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

2.3 Termination Procedures.

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

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

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

2.3.4 Notwithstanding Articles 2.3.1, 2.3.2, and 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA (if applicable), which notice has been accepted for filing by FERC, and the Interconnection Customer has fulfilled its termination cost obligations under Article 2.4.

2.4 Termination Costs. Immediately upon the other Parties' receipt of a notice of the termination of this LGIA pursuant to Article 2.3 above, the CAISO and the Participating TO will determine the total cost responsibility of the Interconnection Customer. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already paid its share of Network Upgrade costs, as set forth in Appendix G to this LGIA, the Participating TO will liquidate the Interconnection Customer's Interconnection Financial Security associated with its cost responsibility for Network Upgrades, in accordance with Section 9.4 of the LGIP.

The Interconnection Customer will also be responsible for all costs incurred or irrevocably committed to be incurred in association with the construction of the Participating TO's Interconnection Facilities (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other such expenses, including any Distribution Upgrades for which the Participating TO or CAISO has incurred expenses or has irrevocably committed to incur expenses and has not been reimbursed by the Interconnection Customer, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17. If, as of the date of the other Parties' receipt of the notice of termination, the Interconnection Customer has not already reimbursed the Participating TO and the CAISO for costs incurred to construct the Participating TO's Interconnection Facilities, the Participating TO will liquidate the Interconnection Customer's Interconnection Financial Security associated with the construction of the Participating TO's Interconnection Facilities, in accordance with Section 9.4 of the LGIP. If the amount of the Interconnection Financial Security liquidated by the Participating TO under this Article 2.4 is insufficient to compensate the CAISO and the Participating TO for actual costs associated with the construction of the Participating TO's Interconnection Facilities contemplated in this Article, any additional amounts will be the responsibility of the Interconnection Customer, subject to the provisions of Section 9.4 of the LGIP. Any such additional amounts due from the Interconnection Customer beyond the amounts covered by its Interconnection Financial Security will be due to the Participating TO immediately upon termination of this LGIA in accordance with Section 9.4 of the LGIP.

If the amount of the Interconnection Financial Security exceeds the Interconnection Customer's cost responsibility under Section 9.4 of the LGIP, any excess amount will be released to the Interconnection Customer in accordance with Section 9.4 of the LGIP.

- 2.4.1** Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.
- 2.4.2** The Participating TO may, at its option, retain any portion of such materials, equipment, or facilities that the Interconnection Customer chooses not to accept delivery of, in which case the Participating TO shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.
- 2.5** **Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6** **Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS AND CAISO TARIFF COMPLIANCE

- 3.1 Filing.** The Participating TO and the CAISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the Participating TO and CAISO with respect to such filing and to provide any information reasonably requested by the Participating TO or CAISO needed to comply with applicable regulatory requirements.
- 3.2 Agreement Subject to CAISO Tariff.** The Interconnection Customer will comply with all applicable provisions of the CAISO Tariff, including the LGIP.
- 3.3 Relationship Between this LGIA and the CAISO Tariff.** With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the CAISO Tariff and dictates rights and obligations between the CAISO and the Participating TO or the CAISO and the Interconnection Customer, the CAISO Tariff shall govern.
- 3.4 Relationship Between this LGIA and the QF PGA.** With regard to the rights and obligations of a Qualifying Facility that has entered into a QF PGA with the CAISO and has entered into this LGIA, if and to the extent a matter is specifically addressed by a provision of the QF PGA that is inconsistent with this LGIA, the terms of the QF PGA shall govern.

ARTICLE 4. SCOPE OF SERVICE

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

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

- 4.2 Provision of Service.** The Participating TO and the CAISO shall provide Interconnection Service for the Large Generating Facility.

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

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

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

- 5.1 Options.** Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either 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 CAISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Participating TO pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Participating TO to the Interconnection Customer in the event that the Participating TO does not complete any portion of the Participating TO's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.

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

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

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with Applicable Reliability Standards, the guidelines and procedures established by the Applicable Reliability Council, and the provisions of Section 4.6.5.1 of the CAISO Tariff. The CAISO reserves the right to establish reasonable minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and restore the Power System Stabilizers to operation as soon as possible. The CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected as a result of improperly tuned Power System Stabilizers. The requirements of this Article 5.4 shall not apply to wind generators of the induction type.

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

5.5.1 The CAISO, in coordination with the applicable Participating TO(s), has completed the Phase II Interconnection Study pursuant to the Large Generator Interconnection Facilities Study Process Agreement;

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

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

- 5.6 Construction Commencement.** The Participating TO shall commence construction of the Participating TO's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Participating TO's Interconnection Facilities and Network Upgrades;
 - 5.6.3** The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress..** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and CAISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or CAISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and CAISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.

- 5.10.1 Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** In addition to the Interconnection Customer's responsibility to submit technical data with its Interconnection Request as required by Section 3.5.1 of the LGIP, the Interconnection Customer shall submit all remaining necessary specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the CAISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. The Participating TO and the CAISO shall review such specifications pursuant to this LGIA and the 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 CAISO and comment on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Participating TO's and CAISO's Review.** The Participating TO's and the CAISO's review of the Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall make such changes to the Interconnection Customer's Interconnection Facilities as may reasonably be required by the Participating TO or the CAISO, in accordance with Good Utility Practice, to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, Operational Control, and safety requirements of the Participating TO or the CAISO.
- 5.10.3 Interconnection Customer's Interconnection Facilities Construction.** The Interconnection Customer's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Participating TO and CAISO "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Unit(s), such as: a one-line diagram, a site plan showing the Large Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Electric Generating Units. The Interconnection Customer shall provide the Participating TO and the CAISO specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the Interconnection Customer shall be assessed by the Participating TO and the CAISO pursuant to the appropriate provisions of this LGIA and the 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 CAISO the following "as-built" drawings, information and documents for the Participating TO's Interconnection Facilities [include appropriate drawings and relay diagrams].

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

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

- 5.13 Lands of Other Property Owners.** If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.

- 5.14 Permits.** Participating TO and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses and authorization that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, the Participating TO shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Participating TO's own, or an Affiliate's generation.

- 5.15 Early Construction of Base Case Facilities.** The Interconnection Customer may request the Participating TO to construct, and the Participating TO shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Participating TO's Transmission System which are included in the Base Case of the Interconnection Studies for the Interconnection Customer, and which also are required to be constructed for another interconnection customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** The Interconnection Customer reserves the right, upon written notice to the Participating TO and the CAISO, to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA, other than Network Upgrades identified in the Phase II Interconnection Study as common to multiple Generating Facilities, with the condition that the Participating TO's electrical system and the CAISO Controlled Grid shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Participating TO's safety and reliability criteria and the CAISO's Applicable Reliability Standards. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

The Participating TO shall invoice the Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work required under this LGIA pursuant to this Article 5.16, and has not requested the Participating TO to recommence the work or has not itself recommenced work required under this LGIA in time to ensure that the new projected Commercial Operation Date for the full Generating Facility Capacity of the Large Generating Facility is no more than three (3) years from the Commercial Operation Date identified in Appendix B hereto, this LGIA shall be deemed terminated and the Interconnection Customer's responsibility for costs will be determined in accordance with Section 2.4 of this LGIA. The suspension period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the CAISO, if no effective date is specified.

5.17 Taxes.

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

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, the Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the CAISO Controlled Grid, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to the Participating TO for the Participating TO's Interconnection Facilities will be capitalized by the Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of the Participating TO's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

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

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

The Participating TO shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges the Interconnection Customer under this LGIA unless (i) the Participating TO has determined, in good faith, that the payments or property transfers made by the Interconnection Customer to the Participating TO should be reported as income subject to taxation or (ii) any Governmental Authority directs the Participating TO to report payments or property as income subject to taxation; provided, however, that the Participating TO may require the Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to the Participating TO (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. The Interconnection Customer shall reimburse the Participating TO for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from the Participating TO of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by the Participating TO upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

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

For this purpose, (i) Current Taxes shall be computed based on the Participating TO's composite federal and state tax rates at the time the payments or property transfers are received and the Participating TO will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Participating TO's anticipated tax depreciation deductions as a result of such payments or property transfers by the Participating TO's current weighted average cost of capital. Thus, the formula for calculating the Interconnection Customer's liability to the Participating TO pursuant to this Article 5.17.4 can be expressed as follows: $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$. Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

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

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

- 5.17.6 Subsequent Taxable Events.** If, within 10 years from the date on which the relevant Participating TO's Interconnection Facilities are placed in service, (i) the Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and the Participating TO retains ownership of the Interconnection Facilities and Network Upgrades, the Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on the Participating TO, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.
- 5.17.7 Contests.** In the event any Governmental Authority determines that the Participating TO's receipt of payments or property constitutes income that is subject to taxation, the Participating TO shall notify the Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by the Interconnection Customer and at the Interconnection Customer's sole expense, the Participating TO may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon the Interconnection Customer's written request and sole expense, the Participating TO may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. The Participating TO reserve the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but the Participating TO shall keep the Interconnection Customer informed, shall consider in good faith suggestions from the Interconnection Customer about the conduct of the contest, and shall reasonably permit the Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

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

At any time during the contest, the Participating TO may agree to a settlement either with the Interconnection Customer's consent or, if such consent is refused, after obtaining written advice from independent nationally-recognized tax counsel, selected by the Participating TO, but reasonably acceptable to the Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation.

The Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by the Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding paragraph. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. The Participating TO may also settle any tax controversy without receiving the Interconnection Customer's consent or any such written advice; however, any such settlement will relieve the Interconnection Customer from any obligation to indemnify the Participating TO for the tax at issue in the contest (unless the failure to obtain written advice is attributable to the Interconnection Customer's unreasonable refusal to the appointment of independent tax counsel).

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

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

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

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

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

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

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

5.19 Modification.

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

In the case of Large Generating Facility modifications that do not require the Interconnection Customer to submit an Interconnection Request, the CAISO 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 CAISO 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 CAISO shall determine if a Large Generating Facility modification is a Material Modification in accordance with the LGIP.

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

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

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Participating TO shall test the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades and the Interconnection Customer shall test the Large Generating Facility and the Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. The Interconnection Customer shall bear the cost of all such testing and modifications. The Interconnection Customer shall not commence initial parallel operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit. The Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 Post-Commercial Operation Date Testing and Modifications. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Participating TO's Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

- 6.3 Right to Observe Testing.** Each Party shall notify the other Parties at least fourteen (14) Calendar Days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

ARTICLE 7. METERING

- 7.1 General.** Each Party shall comply with any Applicable Reliability Standards and the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 and the Metering Protocol of the CAISO Tariff. Unless otherwise agreed by the Participating TO and the Interconnection Customer, the Participating TO may install additional Metering Equipment at the Point of Interconnection prior to any operation of any Electric Generating Unit and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at the CAISO's or Participating TO's option for its respective Metering Equipment, compensated to, the Point of Interconnection. The CAISO shall provide metering quantities to the Interconnection Customer upon request in accordance with the CAISO Tariff by directly polling the CAISO's meter data acquisition system. The Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** The Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check the CAISO-pollled meters or the Participating TO's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except in the case that no other means are available on a temporary basis at the option of the CAISO or the Participating TO. The check meters shall be subject at all reasonable times to inspection and examination by the CAISO or Participating TO or their designees. The installation, operation and maintenance thereof shall be performed entirely by the Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Participating TO Retail Metering.** The Participating TO may install retail revenue quality meters and associated equipment, pursuant to the Participating TO's applicable retail tariffs.

ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** The Interconnection Customer shall maintain satisfactory operating communications with the CAISO in accordance with the provisions of the CAISO Tariff and with the Participating TO's dispatcher or representative designated by the Participating TO. The Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. The Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to the CAISO and Participating TO as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by the CAISO and Participating TO. Any required maintenance of such communications equipment shall be performed by the Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the CAISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.
- Telemetry to the CAISO shall be provided in accordance with the CAISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.
- Each Party will promptly advise the other Parties if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by another Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.
- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

- 9.1 General.** Each Party shall comply with Applicable Reliability Standards and the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

- 9.2 Balancing Authority Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the CAISO and Participating TO in writing of the Balancing Authority Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Balancing Authority Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.
- 9.3 CAISO and Participating TO Obligations.** The CAISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The CAISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and CAISO operating protocols and procedures as they may change from time to time. The Participating TO and CAISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Balancing Authority Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the CAISO Controlled Grid.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** The Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the CAISO has established different requirements that apply to all generators in the Balancing Authority Area on a comparable basis. Power factor design criteria for wind generators are provided in Appendix H of this LGIA.

9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized an Electric Generating Unit with the CAISO Controlled Grid, the CAISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). CAISO's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the CAISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the CAISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the CAISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the CAISO and the Participating TO.

9.6.2.1 Governors and Regulators. Whenever an Electric Generating Unit is operated in parallel with the CAISO Controlled Grid and the speed governors (if installed on the Electric Generating Unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, the Interconnection Customer shall operate the Electric Generating Unit with its speed governors and voltage regulators in automatic operation. If the Electric Generating Unit's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify the CAISO and the Participating TO and ensure that the Electric Generating Unit operates as specified in Article 9.6.2 through manual operation and that such Electric Generating Unit's reactive power production or absorption (measured in MVARs) are within the design capability of the Electric Generating Unit(s) and steady state stability limits. The Interconnection Customer shall restore the speed governors and voltage regulators to automatic operation as soon as possible. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the CAISO shall have the right to order the reduction in output or disconnection of the Large Generating Facility if the reliability of the CAISO Controlled Grid would be adversely affected. The Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the CAISO Controlled Grid or trip any Electric Generating Unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

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

9.7 Outages and Interruptions.

9.7.1 Outages.

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

9.7.1.2 Outage Schedules. The CAISO shall post scheduled outages of CAISO Controlled Grid facilities in accordance with the provisions of the CAISO Tariff. The Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to the CAISO in accordance with the CAISO Tariff. The Interconnection Customer shall update its planned maintenance schedules in accordance with the CAISO Tariff. The CAISO may request the Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the CAISO Controlled Grid in accordance with the CAISO Tariff. Such planned maintenance schedules and updates and changes to such schedules shall be provided by the Interconnection Customer to the Participating TO concurrently with their submittal to the CAISO. The CAISO shall compensate the Interconnection Customer for any additional direct costs that the Interconnection Customer incurs as a result of having to reschedule maintenance in accordance with the CAISO Tariff. The Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities.

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

9.7.2 Interruption of Service. If required by Good Utility Practice to do so, the CAISO or the Participating TO may require the Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect the CAISO's or the Participating TO's ability to perform such activities as are necessary to safely and reliably operate and maintain the Participating TO's electric system or the CAISO Controlled Grid. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

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

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

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

9.7.2.4 Except during the existence of an Emergency Condition, the CAISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The CAISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the CAISO, and the Participating TO;

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

9.7.3 Under-Frequency and Over Frequency Conditions. The CAISO Controlled Grid is designed to automatically activate a load-shed program as required by Applicable Reliability Standards and the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by Applicable Reliability Standards and 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 CAISO in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the CAISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

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

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

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

9.7.4.4 The Participating TO's and Interconnection Customer's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's Electric Generating Units.

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

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

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

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

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

9.9 Use of Interconnection Facilities by Third Parties.

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

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

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

ARTICLE 10. MAINTENANCE

10.1 Participating TO Obligations. The Participating TO shall maintain the Participating TO's Transmission System and the Participating TO's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. The Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

- 10.4 Secondary Systems.** The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Parties. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of the Participating TO's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Participating TO's Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Participating TO elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be funded by the Interconnection Customer in an amount determined pursuant to the methodology set forth in Section 13 of the LGIP. This specific amount is set forth in Appendix G to this LGIA.
- 11.4 Transmission Credits.** No later than thirty (30) Calendar Days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Firm Transmission Rights or Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 11.4.1.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Upon the Commercial Operation Date, the Interconnection Customer shall be entitled to a repayment, equal to the total amount paid to the Participating TO for the costs of Network Upgrades for which it is responsible, as set forth in Appendix G. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer pursuant to Article 5.17.8 or otherwise, and shall be paid to the Interconnection Customer by the Participating TO on a dollar-for-dollar basis either through (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating TO, provided that such amount is paid within five (5) years from the Commercial Operation Date. Notwithstanding the foregoing, if this LGIA terminates within five (5) years from the Commercial Operation Date, the Participating TO's obligation to pay refunds to the Interconnection Customer shall cease as of the date of termination. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment. Interest shall continue to accrue on the repayment obligation so long as this LGIA is in effect. The Interconnection Customer may assign such repayment rights to any person.

If the Large Generating Facility fails to achieve Commercial Operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, the Participating TO shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying and demonstrating to the Participating TO the appropriate entity to which reimbursement must be made in order to implement the intent of this reimbursement obligation.

11.4.2 Special Provisions for Affected Systems. The Interconnection Customer shall enter into an agreement with the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid, as applicable, in accordance with the 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 CAISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System. In the event the Participating TO is a joint owner with an Affected System or with any other co-owner of a facility affected by the Large Generating Facility, the Participating TO's obligation to reimburse the Interconnection Customer for payments made to address the impacts of the Large Generating Facility on the system shall not exceed the proportionate amount of the cost of any upgrades attributable to the proportion of the jointly-owned facility owned by the Participating TO.

- 11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, Congestion Revenue Rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements, merchant transmission Congestion Revenue Rights in accordance with Section 36.11 of the CAISO Tariff, or transmission credits for transmission service that is not associated with the Large Generating Facility.
- 11.5 Provision of Interconnection Financial Security.** The Interconnection Customer is obligated to provide all necessary Interconnection Financial Security required under Section 9 of the LGIP in a manner acceptable under Section 9 of the LGIP. Failure to satisfy the LGIP's requirements for the provision of Interconnection Financial Security shall result in the Interconnection Request being deemed withdrawn and subject to LGIP Section 3.8.
- 11.6 Interconnection Customer Compensation.** If the CAISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff.
- 11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.** The CAISO shall compensate the Interconnection Customer in accordance with the CAISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the CAISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

- 12.1 General.** The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the CAISO and another Party shall be submitted and paid in accordance with the CAISO Tariff.

- 12.2 Final Invoice.** As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. With respect to costs associated with the Participating TO's Interconnection Facilities and Distribution Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice. With respect to costs associated with Network Upgrades, the Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs, as set forth in Appendix G to this LGIA within thirty (30) Calendar Days of the issuance of such final construction invoice. In the event the actual costs of construction multiplied by the Interconnection Customer's percentage share of those costs exceed the Interconnection Customer's actual payment for estimated costs, then the Participating TO shall recover such difference through its transmission service rates.
- 12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the CAISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the CAISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

ARTICLE 13. EMERGENCIES

13.1 [Reserved]

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the CAISO, NERC, the Applicable Reliability Council, Applicable Reliability Standards, Applicable Laws and Regulations, and any emergency procedures set forth in this LGIA.

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

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

13.5 CAISO and Participating TO Authority.

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

The Participating TO and the CAISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the CAISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the CAISO's 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 CAISO may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the CAISO pursuant to the CAISO Tariff. When the CAISO or Participating TO can schedule the reduction or disconnection in advance, the CAISO or Participating TO shall notify the Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. The CAISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the CAISO and Participating TO. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the CAISO Controlled Grid to their normal operating state as soon as practicable consistent with Good Utility Practice.

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

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require the Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978, or the Energy Policy Act of 2005.
- 14.2 Governing Law.**
- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.
- 14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

- 15.1 General.** Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another and any instrument required or permitted to be tendered or delivered by a Party in writing to another shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.
- A Party must update the information in Appendix F as information changes. A Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change. Such changes shall not constitute an amendment to this LGIA.
- 15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set out in Appendix F.
- 15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to another and not required by this LGIA to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out in Appendix F.
- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Parties in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

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

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

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

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

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

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

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

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

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

- 18.2 Consequential Damages.** Other than the liquidated damages heretofore described in Article 5.3, in no event shall any Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** Each Party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of the CAISO, 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 CAISO, the State of California.
 - 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
 - 18.3.3** Business Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
 - 18.3.4** Excess Public Liability Insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
 - 18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Parties, their parents, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) Calendar Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

ARTICLE 19. ASSIGNMENT

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

ARTICLE 20. SEVERABILITY

- 20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Participating TO or CAISO) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of the provisions of Article 5.1.2 or 5.1.4 shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

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

ARTICLE 22. CONFIDENTIALITY

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

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

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

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

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of this LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Parties that it no longer is confidential.

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, Affiliates (limited by the Standards of Conduct requirements set forth in Part 358 of FERC's Regulations, 18 C.F.R. 358), subcontractors, or to parties who may be or considering providing financing to or equity participation with the Interconnection Customer, or to potential purchasers or assignees of the Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

- 22.1.5 No Warranties.** The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

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

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Each Party shall notify the other Parties, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Parties. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Parties copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

- 24.1 Information Acquisition.** The Participating TO and the Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Participating TO.** The initial information submission by the Participating TO shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Participating TO and the Interconnection Customer. On a monthly basis the Participating TO shall provide the Interconnection Customer and the CAISO a status report on the construction and installation of the Participating TO's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. The Interconnection Customer shall submit a completed copy of the Electric Generating Unit data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to the Participating TO and the CAISO for the Interconnection Studies. Information in this submission shall be the most current Electric Generating Unit design or expected performance data. Information submitted for stability models shall be compatible with the Participating TO and CAISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.
- If the Interconnection Customer's data is materially different from what was originally provided to the Participating TO and the CAISO for the Interconnection Studies, then the Participating TO and the CAISO will conduct appropriate studies pursuant to the LGIP to determine the impact on the Participating TO's Transmission System and affected portions of the CAISO Controlled Grid based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed and all other requirements of this LGIA are satisfied.
- 24.4 Information Supplementation.** Prior to the Trial Operation date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Electric Generating Unit information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Electric Generating Unit as required by Good Utility Practice such as an open circuit "step voltage" test on the Electric Generating Unit to verify proper operation of the Electric Generating Unit's automatic voltage regulator.

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

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide the Participating TO and the CAISO any information changes due to equipment replacement, repair, or adjustment. The Participating TO shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Participating TO-owned substation that may affect the Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information pursuant to Article 5.19.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

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

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

25.3.2 Notwithstanding anything to the contrary in Article 25.3, each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

25.4 Audit Rights Periods.

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

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff.

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

25.5.1 Notwithstanding anything to the contrary in Article 25.5, the Interconnection Customer's and Participating TO's rights to audit the CAISO's accounts and records shall be as set forth in Section 22.1 of the CAISO Tariff, and the CAISO's process for remedying an overpayment or underpayment shall be as set forth in the CAISO Tariff.

ARTICLE 26. SUBCONTRACTORS

- 26.1 General.** Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.
- 26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the CAISO or Participating TO be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

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

- 27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.
- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

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

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

- 28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).
- 28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. [RESERVED]

ARTICLE 30. MISCELLANEOUS

- 30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the 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 CAISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles and Appendices of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles and Appendices:

Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 4.4, 5 preamble, 5.4, 5.7, 5.8, 5.9, 5.12, 5.13, 5.18, 5.19.1, 7.1, 7.2, 8, 9.1, 9.2, 9.3, 9.5, 9.6, 9.7, 9.8, 9.10, 10.3, 11.4, 12.1, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24.3, 24.4, 25.1, 25.2, 25.3 (excluding subparts), 25.4.2, 26, 28, 29, 30, Appendix D, Appendix F, Appendix G, and any other Article not reserved exclusively to the Participating TO or the CAISO below.

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

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

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

3.2, 4.5, 11.6, 25.3.2, 25.5.1, and 27 preamble.

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

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

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

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

[Insert name of Interconnection Customer]

By:

Title:

Date:

[Insert name of Participating TO]

By:

Title:

Date:

California Independent System Operator Corporation

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 Interconnection Customer's Proportional Share of Costs of Network Upgrades for Applicable Project Group
- Appendix H Interconnection Requirements for a Wind Generating Plant

**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 CAISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day CAISO Controlled Grid reliability and operational security. FERC will expect the CAISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the CAISO Controlled Grid to comply with 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 CAISO Tariff, including the CAISO's standards for information security posted on the CAISO's internet web site at the following internet address: <http://www.caiso.com/pubinfo/info-security/index.html>.

**Appendix E
To LGIA**

Commercial Operation Date

[This Appendix E sets forth a form of letter to be provided by the Interconnection Customer to the CAISO and Participating TO to provide formal notice of the Commercial Operation of an Electric Generating Unit.]

[Date]

[CAISO Address]

[Participating TO Address]

Re: _____ Electric Generating Unit

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Electric Generating Unit, effective as of **[Date plus one day]** and that **[Interconnection Customer]** provided the CAISO's operations personnel advance notice of its intended Commercial Operation Date no less than five Business Days prior to that date.

Thank you.

[Signature]

[Interconnection Customer Representative]

**Appendix F
To LGIA**

Addresses for Delivery of Notices and Billings

Notices:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

Billings and Payments:

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

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

Participating TO:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

CAISO:

[To be supplied.]

**Appendix G
To LGIA**

**Interconnection Customer's Proportional Share of Costs of Network Upgrades for Applicable
Project Group**

**Appendix H
To LGIA**

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix H sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

All wind generating plants subject to FERC Order No. 661 must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the Participating TO. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the CAISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the CAISO Controlled Grid for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the CAISO Controlled Grid at the same location at the effective date of the Appendix H LVRT Standard are exempt from meeting the Appendix H LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix H LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

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

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Attachment B – Blacklines
Generator Interconnection Process Reform Compliance Filing
Currently Effective CAISO Tariff
November 25, 2008

* * *

ISO TARIFF APPENDIX A
Master Definitions Supplement

* * *

Energy-Only Deliverability Status

A condition elected by an Interconnection Customer for a Large Generating Facility interconnected with the CAISO Controlled Grid the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Large Generating Facility will be deemed to have a Net Qualifying Capacity of zero, and, therefore, cannot be considered to be a Resource Adequacy Resource.

* * *

Interconnection Base Case Data

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 in Appendix EE and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4 in Appendix EE.

* * *

CAISO TARIFF APPENDIX GG
Large Generator Interconnection Procedures (LGIP)
for Interconnection Requests in a Queue Cluster Window

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**Large Generator
Interconnection Procedures (LGIP)**

Table of Contents

Appendix 5 Schedule for Release and Review of Per Unit Costs

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Section 6 Interconnection Studies.

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6.4 Use of Per Unit Costs to Estimate Network Upgrade Costs.

Prior to the commencement of the initial Queue Cluster Window for each calendar year, each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems. These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a PTO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Reliability Network Upgrades, Delivery Network Upgrades and Participating TO's Interconnection Facilities under this LGIP Section 6. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

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

* * *

6.6 Phase I Interconnection Study Procedures.

The CAISO shall coordinate the Phase I Interconnection Study with applicable Participating TO(s) pursuant to LGIP Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report at a maximum within two hundred ~~forty (240)~~~~seventy (270)~~

Calendar Days after the close of the Queue Cluster Window and approximately one hundred eighty Calendar Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under LGIP Section 13.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I Interconnection Study, the CAISO may, at the Interconnection Customer's request, determine whether the provisions of LGIP Section 7.6 apply.

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

Upon request, the CAISO shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with LGIP Section 13.1.

* * *

Section 7 Phase II Interconnection Study.

7.1 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Large Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Large Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall (i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities ~~and~~

~~Interconnection Customer's Interconnection Facilities~~, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities ~~and Interconnection Customer's Interconnection Facilities~~, and (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Large Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Large Generating Facility are completed and placed into service.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Interconnection Customer's Interconnection Facilities to the CAISO Controlled Grid. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

* * *

Section 9 Interconnection Financial Security.

9.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the applicable Participating TO(s):

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (d) a cash deposit standing to the credit of the ~~CAISO and~~ applicable Participating TO(s) in an interest-bearing escrow account maintained at a bank or financial institution that is reasonably acceptable to the applicable Participating TO (s)CAISO;
- (e) a certificate of deposit in the name of the applicable Participating TO (s)CAISO issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's; or

- (f) a payment bond certificate in the name of the applicable Participating TO (s)CAISO issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's.

Interconnection Financial Security instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s). The CAISO shall publish and maintain standardized forms related to the types of Interconnection Financial Security listed above on the CAISO Website. The CAISO shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this LGIP Section 9.1, the Interconnection Customer shall provide to the CAISO replacement Interconnection Financial Security meeting the requirements of this LGIP Section 9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the CAISO in an interest-bearing escrow account under subpart (d) of this LGIP Section 9.1 will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis.

* * *

9.4.1 Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of LGIA.

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with LGIP Section 9.4.2, if the withdrawal of the Interconnection Request or termination of the LGIA occurs for any of the following reasons:

- (a) **Failure to Secure a Power Purchase Agreement.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has failed to secure an acceptable power purchase agreement for the Energy or capacity of the Large Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.
- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Large Generating Facility.
- (c) **Increase in the Cost of Participating TO's Interconnection Facilities.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.

- (d) **Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

* * *

Section 11 Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

- 11.1.1 Within ~~thirty (30) Calendar~~ ~~thirteen (15) Business~~ Days after the CAISO provides the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s) and the CAISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved form of LGIA set forth in CAISO Tariff Appendix HH. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

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Appendix 5 to LGIP

SCHEDULE FOR RELEASE AND REVIEW OF PER UNIT COSTS

<u>Line</u>	<u>Schedule for the Release and Review of Per Unit Costs for 2009</u>	<u>Anticipated Calendar Date(s)</u>
<u>1.</u>	<u>Participating TOs (PTOs) to develop their draft per unit costs.</u>	<u>11/3/2008 – 1/30/2009</u>
<u>2.</u>	<u>PTOs to provide their draft per unit costs to the CAISO on or before 1/30/09 for CAISO review and posting to the CAISO Website.</u>	<u>1/30/2009</u>
<u>3.</u>	<u>CAISO to review and post the PTO draft per unit costs to the CAISO Website, for Stakeholder review.</u>	<u>2/2/09 – 2/6/09</u>
<u>4.</u>	<u>Provides two weeks for stakeholder review of the posted draft per unit costs.</u>	<u>2/6/09 – 2/20/09</u>
<u>5.</u>	<u>CAISO to schedule and conduct a one-day stakeholder meeting¹ to discuss the draft per unit costs with the stakeholders.</u>	<u>2/23/09 – 2/27/09</u>
<u>6.</u>	<u>Provides two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.</u>	<u>2/27/09 – 3/13/09</u>
<u>7.</u>	<u>CAISO and PTOs to review and address stakeholder comments. PTOs to review, update as needed, and finalize their per unit costs.</u>	<u>3/16/09 – 3/27/09</u>
<u>8.</u>	<u>PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.</u>	<u>3/27/09</u>
<u>9.</u>	<u>CAISO to review and post the PTO's final per unit costs to the CAISO Website.</u>	<u>3/27/09 – 4/1/09</u>

¹ Actual date for scheduling of stakeholder meeting will be subject to room and resource availability.

<u>10.</u>	<u>Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.</u>	<u>4/1/09</u>
	<u>Annual Review, Update, and Posting of Per Unit Costs after 2009</u>	
<u>11.</u>	<u>PTOs to review and update their per unit costs.</u>	<u>October – mid-January</u>
<u>12.</u>	<u>PTOs to provide their updated per unit costs to the CAISO for CAISO review and posting to the CAISO Website.</u>	<u>Mid-January</u>
<u>13.</u>	<u>CAISO to review and post the PTO per unit costs to the CAISO Website for stakeholder review.</u>	<u>Third week of January</u>
<u>14.</u>	<u>Provide two weeks for stakeholders to review the posted per unit costs.</u>	<u>Last week of January and first week of February</u>
<u>15.</u>	<u>CAISO to schedule and conduct a one-day stakeholder meeting in February to discuss the posted per unit costs with stakeholders.</u>	<u>Second week of February</u>
<u>16.</u>	<u>Provide two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.</u>	<u>Last two weeks of February</u>
<u>17.</u>	<u>Provide two weeks for CAISO and PTOs to review and address stakeholder comments.</u>	<u>First two weeks of March</u>
<u>18.</u>	<u>Provide three weeks following the stakeholder meeting for PTOs to review, update as needed, and finalize their per unit costs.</u>	<u>First three weeks of March</u>
<u>19.</u>	<u>PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.</u>	<u>End of third week of March</u>
<u>20.</u>	<u>CAISO to review and post the PTOs' final per unit costs to the CAISO Website.</u>	<u>Fourth week of March</u>
<u>21.</u>	<u>Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.</u>	<u>Last week of March to first of April</u>

* * *

Attachment C – Clean Sheets
Generator Interconnection Process Reform Compliance Filing
4th Replacement CAISO Tariff (MRTU)
November 25, 2008

Energy Bid Curve	The Bid component that indicates the prices and related quantity at which a resource offers Energy in a monotonically increasing (decreasing for Participating Load) staircase function, consisting of no more than 10 segments defined by 11 pairs of MW operating points and \$/MWh, which may be different for each Trading Hour of the applicable Bid time period. If the resource has Forbidden Operating Regions, each Forbidden Operating Region must be reflected as a single, separate Energy Bid Curve segment.
Energy Export	For purposes of calculating the Grid Management Charge, Energy included in an Interchange Schedule submitted to the CAISO, or dispatched by the CAISO, to serve a load located outside the CAISO's Balancing Authority Area, whether the Energy is produced by a Generator in the CAISO Balancing Authority Area or a resource located outside the CAISO Balancing Authority Area.
Energy Limit	The Bid component that indicates the maximum and minimum daily Energy limits for the Generating Unit.
Energy Management System (EMS)	A computer control system used by electric utility dispatchers to monitor the real-time performance of the various elements of an electric system and to control Generation and transmission facilities.
Energy-Only Deliverability Status	A condition elected by an Interconnection Customer for a Large Generating Facility interconnected with the CAISO Controlled Grid the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Large Generating Facility will be deemed to have a Net Qualifying Capacity of zero, and, therefore, cannot be considered to be a Resource Adequacy Resource.
Energy Resource Area (ERA)	A geographic region certified by the California Public Utilities Commission and the California Energy Commission as an area in which multiple LCRIGs could be located, provided that, for the interim period before those agencies certify such areas and for LCRIFs that are proposed to connect LCRIGs located outside the State of California, an Energy Resource Area shall mean a geographic region that would be connected to the CAISO Controlled Grid by an LCRIF with respect to which the CAISO Governing Board determines that all of the requirements of Section 24.1.3 are satisfied, except for the requirement that the LCRIGs to which the LCRIF would connect are located in an area certified as an ERA by those agencies.

**Interconnection Base
Case Data**

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4.

Interconnection Customer

Any entity, including a Participating TO or any of its Affiliates or subsidiaries, that proposes to interconnect its Generating Facility with the CAISO Controlled Grid.

13.2 Delegation of Responsibility

13.3 [NOT USED]

13.4 [NOT USED]

13.5 Disputes

13.5.1 Submission

13.5.2 External Arbitration Procedures

13.5.3 Arbitration Decisions

13.5.4 Costs

13.6 Local Furnishing Bonds

13.6.1 Participating TOs That Own Facilities Financed by Local Furnishing Bonds

13.6.2 Alternative Procedures for Requesting Interconnection Service

13.7 Change in CAISO Operational Control

Appendix 1 Interconnection Request

**Appendix 2 Large Generator Interconnection Procedures (LGIP)
Relating to the Transition Cluster**

**Appendix 3 Pro Forma Large Generator Interconnection Study
Process Agreement (LGISPA)**

Appendix 4 Pro Forma Roles and Responsibilities Agreement

Appendix 5 Schedule for Release and Review of Per Unit Costs

These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Reliability Network Upgrades, Delivery Network Upgrades and Participating TO's Interconnection Facilities under this LGIP Section 6. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

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

6.5 Phase I Interconnection Study Costs Form the Basis of Interconnection Financial Security.

The costs assigned to Interconnection Customers for Network Upgrades under this Section 6 of the LGIP shall establish the maximum value for the Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9 for such Network Upgrades. In contrast, the costs assigned to Interconnection Customers for Participating TO's Interconnection Facilities under this Section 6 of the LGIP are estimates only that establish the basis for the initial Interconnection Financial Security required from each Interconnection Customer under LGIP Section 9.2.

6.6 Phase I Interconnection Study Procedures.

The CAISO shall coordinate the Phase I Interconnection Study with applicable Participating TO(s) pursuant to LGIP Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report at a maximum within two hundred forty (240) Calendar Days after the close of the Queue Cluster Window and approximately one hundred eighty Calendar Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under LGIP Section 13.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I Interconnection Study, the CAISO may, at the Interconnection Customer's request, determine whether the provisions of LGIP Section 7.6 apply.

6.7.2 Modifications.

At the Results Meeting, the Interconnection Customer should be prepared to discuss any desired modifications to the Interconnection Request. Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO, in writing, modifications to any information provided in the Interconnection Request. The CAISO will forward the Interconnection Customer's modification to the applicable Participating TO(s) within one (1) Business Day of receipt. The Interconnection Customer shall remain eligible for the Phase II Interconnection Study if the modifications are in accordance with LGIP Sections 6.7.2.1 or 6.7.2.2.

Notwithstanding the above, during the course of the Interconnection Studies, the Interconnection Customer, the applicable Participating TO(s), or the CAISO may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the applicable Participating TO(s), the CAISO, and Interconnection Customer, such acceptance not to be unreasonably withheld, the CAISO shall modify the Point of Interconnection and/or configuration in accordance with such changes without altering the Interconnection Request's eligibility for participating in Interconnection Studies.

6.7.2.1 Modifications permitted under this Section 6.7.2 shall include specifically: (a) a decrease in the electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration.

6.7.2.2 For any modification other than those specifically permitted by LGIP Section 6.7.2.1, the Interconnection Customer may first request that the CAISO evaluate whether such modification is a Material Modification. In response to the Interconnection Customer's request, the CAISO, in coordination with the affected Participating TO(s) and, if applicable, any Affected System Operator, shall evaluate the proposed modifications prior to making them and the CAISO shall inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except for that specified by the CAISO in an Interconnection Study or otherwise allowed under this LGIP Section 6.7.2, shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

Section 7 Phase II Interconnection Study.

7.1 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Large Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Large Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall

(i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities, (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Large Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Large Generating Facility are completed and placed into service.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Interconnection Customer's Interconnection Facilities to the CAISO Controlled Grid. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

7.2 Coordination of the Phase II Interconnection Study with the Transmission Planning Process.

The CAISO shall coordinate the Phase II Interconnection Studies with the CAISO's Transmission Planning Process under CAISO Tariff Section 24. This coordination shall include, but not be limited to:

- (i) consistency, to the maximum extent applicable under Good Utility Practice, between the Interconnection Base Case Data used for performance of the Phase II Interconnection Studies and the Unified Planning Assumptions developed for the Transmission Planning Process, including, but not limited to, data relating to Demand data, network topology, and generation resources;
- (ii) consideration of any conceptual transmission plan(s) developed, but not rejected, in the current or former Transmission Planning Processes intended to access generation development areas as a means to satisfy the Network Upgrade requirements to interconnect Generating Facilities included in the Phase II Interconnection Study;

7.7 Meeting with the CAISO and Applicable Participating TO(s).

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

Section 8 [NOT USED]

Section 9 Interconnection Financial Security.

9.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the applicable Participating TO(s):

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

Interconnection Financial Security instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s).

- (c) **Increase in the Cost of Participating TO's Interconnection Facilities.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.
- (d) **Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

9.4.2 Schedule for Determining Non-Refundable Portion of the Interconnection Financial Security for Network Upgrades.

9.4.2.1 Up to One Hundred Eighty Days After Final Phase II Interconnection Study Report.

If, at any time after the initial posting of the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and on or before one hundred eighty (180) calendar days after the date of issuance of the final Phase II Interconnection Study report, the Interconnection Customer withdraws the Interconnection Request or terminates the LGIA, as applicable, in accordance with LGIP Section 9.4.1, the applicable Participating TO(s) shall liquidate the Interconnection Financial Security for Network Upgrades under LGIP Section 9.2 and reimburse the Interconnection Customer in an amount of (i) fifty percent (50%) of the value of the posted Interconnection Financial Security for Network Upgrades, or, (ii) if the Interconnection Financial Security has been drawn down to finance Pre-Construction Activities for Network Upgrades on behalf of the Interconnection Customer, the lesser of the remaining balance of the Interconnection Financial Security or the amount calculated under (i) above. If the Interconnection Customer has separately provided capital apart from the Interconnection Financial Security to finance Pre-Construction Activities for Network Upgrades, the applicable Participating TO(s) will credit the capital provided as if drawn from the Interconnection Financial Security and apply (ii) above.

Section 11 Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

11.1.1 Within thirty (30) Calendar Days after the CAISO provides the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s) and the CAISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved form of LGIA set forth in CAISO Tariff Appendix Z. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

11.1.2 Consistent with LGIP Sections 13.3 and 11.1.1, when the transmission system of a Participating TO, in which the Point of Interconnection is not located, is affected, such Participating TO shall tender a separate agreement, in the form of the LGIA, as appropriately modified.

11.2 Negotiation.

Notwithstanding LGIP Section 11.1, at the request of the Interconnection Customer, the applicable Participating TO(s) and CAISO shall begin negotiations with the Interconnection Customer concerning the appendices to the LGIA at any time after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. The applicable Participating TO(s) and CAISO and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than ninety (90) calendar days after the CAISO provides the Interconnection Customer with the final Phase II Interconnection Study report. If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to LGIP Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to LGIP Section 13.5. If the Interconnection Customer requests termination of the negotiations, but, within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if the Interconnection Customer has not executed and returned the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to LGIP Section 13.5 within ninety (90) calendar days after issuance of the final Phase II Interconnection Study report, it shall be deemed to have withdrawn its Interconnection Request. The applicable Participating TO(s) and CAISO shall provide to the Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

Appendix 5 to LGIP

SCHEDULE FOR RELEASE AND REVIEW OF PER UNIT COSTS

Line	Schedule for the Release and Review of Per Unit Costs for 2009	Anticipated Calendar Date(s)
1.	Participating TOs (PTOs) to develop their draft per unit costs.	11/3/2008 – 1/30/2009
2.	PTOs to provide their draft per unit costs to the CAISO on or before 1/30/09 for CAISO review and posting to the CAISO Website.	1/30/2009
3.	CAISO to review and post the PTO draft per unit costs to the CAISO Website, for Stakeholder review.	2/2/09 – 2/6/09
4.	Provides two weeks for stakeholder review of the posted draft per unit costs.	2/6/09 – 2/20/09
5.	CAISO to schedule and conduct a one-day stakeholder meeting ¹ to discuss the draft per unit costs with the stakeholders.	2/23/09 – 2/27/09
6.	Provides two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.	2/27/09 – 3/13/09
7.	CAISO and PTOs to review and address stakeholder comments. PTOs to review, update as needed, and finalize their per unit costs.	3/16/09 – 3/27/09
8.	PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.	3/27/09
9.	CAISO to review and post the PTO's final per unit costs to the CAISO Website.	3/27/09 – 4/1/09
10.	Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.	4/1/09
	Annual Review, Update, and Posting of Per Unit Costs after 2009	
11.	PTOs to review and update their per unit costs.	October – mid-January
12.	PTOs to provide their updated per unit costs to the CAISO for CAISO review and posting to the CAISO Website.	Mid-January
13.	CAISO to review and post the PTO per unit costs to the CAISO Website for stakeholder review.	Third week of January
14.	Provide two weeks for stakeholders to review the posted per unit costs.	Last week of January and first week of February
15.	CAISO to schedule and conduct a one-day stakeholder meeting in February to discuss the posted per unit costs with stakeholders.	Second week of February

¹ Actual date for scheduling of stakeholder meeting will be subject to room and resource availability.

16.	Provide two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.	Last two weeks of February
17.	Provide two weeks for CAISO and PTOs to review and address stakeholder comments.	First two weeks of March
18.	Provide three weeks following the stakeholder meeting for PTOs to review, update as needed, and finalize their per unit costs.	First three weeks of March
19.	PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.	End of third week of March
20.	CAISO to review and post the PTOs' final per unit costs to the CAISO Website.	Fourth week of March
21.	Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.	Last week of March to first of April

Attachment D – Blacklines
Generator Interconnection Process Reform Compliance Filing
4th Replacement CAISO Tariff (MRTU)
November 25, 2008

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ISO TARIFF APPENDIX A
Master Definitions Supplement

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Energy-Only Deliverability Status

A condition elected by an Interconnection Customer for a Large Generating Facility interconnected with the CAISO Controlled Grid the result of which is that the Interconnection Customer is responsible only for the costs of Reliability Network Upgrades and is not responsible for the costs of Delivery Network Upgrades, but the Large Generating Facility will be deemed to have a Net Qualifying Capacity of zero, and, therefore, cannot be considered to be a Resource Adequacy Resource.

* * *

Interconnection Base Case Data

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4.

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CAISO TARIFF APPENDIX Y

**Large Generator Interconnection Procedures (LGIP)
for Interconnection Requests in a Queue Cluster Window**

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**Large Generator
Interconnection Procedures (LGIP)**

Table of Contents

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Appendix 5 Schedule for Release and Review of Per Unit Costs

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Section 6 Interconnection Studies.

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6.4 Use of Per Unit Costs to Estimate Network Upgrade Costs.

Prior to the commencement of the initial Queue Cluster Window for each calendar year, each Participating TO, under the direction of the CAISO, shall publish per unit costs for facilities generally required to interconnect Generation to their respective systems. These per unit costs shall reflect the anticipated cost of procuring and installing such facilities during the current Interconnection Study Cycle, and may vary among Participating TOs and within a Participating TO Service Territory based on geographic and other cost input differences, and should include an annual adjustment for the following ten (10) years to account for the anticipated timing of procurement to accommodate a potential range of Commercial Operation Dates of Interconnection Requests in the Interconnection Study Cycle. The per unit costs will be used to develop the cost of Reliability Network Upgrades, Delivery Network Upgrades and Participating TO's Interconnection Facilities under this LGIP Section 6. Deviations from a Participating TO's benchmark per unit costs will be permitted if a reasonable explanation for the deviation is provided and there is no undue discrimination.

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

* * *

6.6 Phase I Interconnection Study Procedures.

The CAISO shall coordinate the Phase I Interconnection Study with applicable Participating TO(s) pursuant to LGIP Section 3.2 and any Affected System that is affected by the Interconnection Request pursuant to LGIP Section 3.7. Existing studies shall be used to the extent practicable when conducting the Phase I Interconnection Study. The CAISO will coordinate Base Case development with the applicable Participating TOs to ensure the Base Cases are accurately developed. The CAISO shall

use Reasonable Efforts to complete and publish to Interconnection Customers the Phase I Interconnection Study report at a maximum within two hundred ~~seventy (270)~~ ~~Calendar~~ ~~d~~Days after the close of the Queue Cluster Window and approximately one hundred eighty ~~Calendar~~ ~~d~~Days after the final Scoping Meeting held for the Interconnection Study Cycle; however, each individual study or Group Studies may be completed prior to this maximum time where practicable based on factors, including, but not limited to, the number of Interconnection Requests in the Queue Cluster Window, study complexity, and reasonable availability of subcontractors as provided under LGIP Section 13.2. The CAISO will share applicable study results with the applicable Participating TO(s) for review and comment and will incorporate comments into the study report. The CAISO will issue a final Phase I Interconnection Study report to the Interconnection Customer. At the time of completion of the Phase I Interconnection Study, the CAISO may, at the Interconnection Customer's request, determine whether the provisions of LGIP Section 7.6 apply.

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

Upon request, the CAISO shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Phase I Interconnection Study, subject to confidentiality arrangements consistent with LGIP Section 13.1.

* * *

Section 7 Phase II Interconnection Study.

7.1 Scope of Phase II Interconnection Study.

Within five (5) Business Days following the Results Meeting, the Interconnection Customer shall submit to the CAISO the completed form of Appendix B (Data Form To Be Provided by the Interconnection Customer Prior to Commencement of the Phase II Interconnection Study) to its Large Generator Interconnection Study Process Agreement, and within such Appendix B, the Interconnection Customer shall either (i) confirm the desired deliverability status that the Interconnection Customer had previously designated in the completed form of Appendix A to the Large Generator Interconnection Study Process Agreement (Assumptions Used in Conducting the Phase I Interconnection Study); or (ii) change the status of desired deliverability from Full Capacity Deliverability Status to Energy-Only Deliverability Status.

The CAISO, in coordination with the applicable Participating TO(s), will conduct a Phase II Interconnection Study that will incorporate eligible Interconnection Requests from the previous two Phase I Interconnection Studies. The Phase II Interconnection Study shall

(i) update, as necessary, analyses performed in the Phase I Interconnection Studies to account for the withdrawal of Interconnection Requests, (ii) identify final Reliability Network Upgrades needed to physically interconnect the Large Generating Facilities, (iii) assign responsibility for financing the identified final Reliability Network Upgrades, (iv) identify, following coordination with the CAISO's Transmission Planning Process, final Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (v) assign responsibility for financing Delivery Network Upgrades needed to interconnect those Large Generating Facilities selecting Full Capacity Deliverability Status, (vi) identify for each Interconnection Request final Point of Interconnection and Participating TO's Interconnection Facilities ~~and Interconnection Customer's Interconnection Facilities~~, (vii) provide a +/-20% estimate for each Interconnection Request of the final Participating TO's Interconnection Facilities ~~and Interconnection Customer's Interconnection Facilities~~, and (viii) optimize in-service timing requirements based on operational studies in order to maximize achievement of the Commercial Operation Dates of the Large Generating Facilities, and (ix) if it is determined that the Delivery Network Upgrades cannot be completed by the Interconnection Customer's identified Commercial Operation Date, provide that operating procedures necessary to allow the Large Generating Facility to interconnect as an energy-only resource, on an interim-only basis, will be developed and utilized until the Delivery Network Upgrades for the Large Generating Facility are completed and placed into service.

With respect to the foregoing items, the Phase II Interconnection Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work, including the financial impacts (i.e., on Local Furnishing Bonds), if any, and schedule for effecting remedial measures that address such financial impacts, needed on the CAISO Controlled Grid to implement the conclusions of the updated Phase II Interconnection Study technical analyses in accordance with Good Utility Practice to physically and electrically connect the Interconnection Customer's Interconnection Facilities to the CAISO Controlled Grid. The Phase II Interconnection Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Participating TO's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

* * *

Section 9 Interconnection Financial Security.

9.1 Types of Interconnection Financial Security.

The Interconnection Financial Security posted by an Interconnection Customer may be any combination of the following types of Interconnection Financial Security provided in favor of the applicable Participating TO(s):

- (a) an irrevocable and unconditional letter of credit issued by a bank or financial institution that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (b) an irrevocable and unconditional surety bond issued by an insurance company that has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;
- (c) an unconditional and irrevocable guaranty issued by a company has a credit rating of A or better by Standard and Poors or A2 or better by Moody's;

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

Interconnection Financial Security instruments as listed above shall be in such form as the CAISO and applicable Participating TO(s) may reasonably require from time to time by notice to Interconnection Customers or in such other form as has been evaluated and approved as reasonably acceptable by the CAISO and applicable Participating TO(s).

The CAISO shall publish and maintain standardized forms related to the types of Interconnection Financial Security listed above on the CAISO Website. The CAISO shall require the use of standardized forms of Interconnection Financial Security to the greatest extent possible. If at any time the guarantor of the Interconnection Financial Security fails to maintain the credit rating required by this LGIP Section 9.1, the Interconnection Customer shall provide to the CAISO replacement Interconnection Financial Security meeting the requirements of this LGIP Section 9.1 within five (5) Business Days of the change in credit rating.

Interest on a cash deposit standing to the credit of the CAISO in an interest-bearing escrow account under subpart (d) of this LGIP Section 9.1 will accrue to the Interconnection Customer's benefit and will be added to the Interconnection Customer's account on a monthly basis.

* * *

9.4.1 **Conditions for Partial Recovery of Interconnection Financial Security Upon Withdrawal of Interconnection Request or Termination of LGIA.**

A portion of the Interconnection Financial Security shall be released to the Interconnection Customer, consistent with LGIP Section 9.4.2, if the withdrawal of the Interconnection Request or termination of the LGIA occurs for any of the following reasons:

- (a) **Failure to Secure a Power Purchase Agreement.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has failed to secure an acceptable power purchase agreement for the Energy or capacity of the Large Generating Facility after a good faith effort to do so. A good faith effort can be established by demonstrating participation in a competitive solicitation process or bilateral negotiations with an entity other than an Affiliate that progressed, at minimum, to the mutual exchange by all counter-parties of proposed term sheets.
- (b) **Failure to Secure a Necessary Permit.** At the time of withdrawal of the Interconnection Request or termination of the LGIA, the Interconnection Customer demonstrates to the CAISO that it has received a final denial from the primary issuing Governmental Authority of any permit or other authorization necessary for the construction or operation of the Large Generating Facility.

- (c) **Increase in the Cost of Participating TO's Interconnection Facilities.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on an increase of more than 30% or \$300,000, whichever is greater, in the estimated cost of Participating TO's Interconnection Facilities between the Phase I Interconnection Study and the Phase II Interconnection Study, provided, however, that the Interconnection Financial Security shall not be released if this increase in the estimated cost is due to the Interconnection Customer's requested modification to the interconnection configuration.
- (d) **Material Change in Interconnection Customer Interconnection Facilities Created by a CAISO Change in the Point of Interconnection.** The Interconnection Customer withdraws the Interconnection Request or terminates the LGIA based on a material change from the Phase I Interconnection Study in the Point of Interconnection for the Large Generating Facility mandated by the CAISO and included in the final Phase II Interconnection Study. A material change in the Point of Interconnection shall be where Point of Interconnection has moved to (i) a different substation, (ii) a different line on a different right of way, or (iii) a materially different location than previously identified on the same line.

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Section 11 Large Generator Interconnection Agreement (LGIA).

11.1 Tender.

- 11.1.1 Within ~~thirty (30) Calendar~~~~fifteen (15) Business~~ Days after the CAISO provides the final Phase II Interconnection Study report to the Interconnection Customer, the applicable Participating TO(s) and the CAISO shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of the FERC-approved form of LGIA set forth in CAISO Tariff Appendix Z. The Interconnection Customer shall provide written comments, or notification of no comments, to the draft appendices to the applicable Participating TO(s) and the CAISO within (30) calendar days of receipt.

* * *

Appendix 5 to LGIP

SCHEDULE FOR RELEASE AND REVIEW OF PER UNIT COSTS

<u>Line</u>	<u>Schedule for the Release and Review of Per Unit Costs for 2009</u>	<u>Anticipated Calendar Date(s)</u>
<u>1.</u>	<u>Participating TOs (PTOs) to develop their draft per unit costs.</u>	<u>11/3/2008 – 1/30/2009</u>
<u>2.</u>	<u>PTOs to provide their draft per unit costs to the CAISO on or before 1/30/09 for CAISO review and posting to the CAISO Website.</u>	<u>1/30/2009</u>
<u>3.</u>	<u>CAISO to review and post the PTO draft per unit costs to the CAISO Website, for Stakeholder review.</u>	<u>2/2/09 – 2/6/09</u>
<u>4.</u>	<u>Provides two weeks for stakeholder review of the posted draft per unit costs.</u>	<u>2/6/09 – 2/20/09</u>
<u>5.</u>	<u>CAISO to schedule and conduct a one-day stakeholder meeting¹ to discuss the draft per unit costs with the stakeholders.</u>	<u>2/23/09 – 2/27/09</u>
<u>6.</u>	<u>Provides two weeks following the scheduled</u>	<u>2/27/09 – 3/13/09</u>

¹ Actual date for scheduling of stakeholder meeting will be subject to room and resource availability.

	<u>stakeholder meeting for stakeholders to provide comments to the CAISO.</u>	
<u>7.</u>	<u>CAISO and PTOs to review and address stakeholder comments. PTOs to review, update as needed, and finalize their per unit costs.</u>	<u>3/16/09 – 3/27/09</u>
<u>8.</u>	<u>PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.</u>	<u>3/27/09</u>
<u>9.</u>	<u>CAISO to review and post the PTO's final per unit costs to the CAISO Website.</u>	<u>3/27/09 – 4/1/09</u>
<u>10.</u>	<u>Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.</u>	<u>4/1/09</u>
	<u>Annual Review, Update, and Posting of Per Unit Costs after 2009</u>	
<u>11.</u>	<u>PTOs to review and update their per unit costs.</u>	<u>October – mid-January</u>
<u>12.</u>	<u>PTOs to provide their updated per unit costs to the CAISO for CAISO review and posting to the CAISO Website.</u>	<u>Mid-January</u>
<u>13.</u>	<u>CAISO to review and post the PTO per unit costs to the CAISO Website for stakeholder review.</u>	<u>Third week of January</u>
<u>14.</u>	<u>Provide two weeks for stakeholders to review the posted per unit costs.</u>	<u>Last week of January and first week of February</u>
<u>15.</u>	<u>CAISO to schedule and conduct a one-day stakeholder meeting in February to discuss the posted per unit costs with stakeholders.</u>	<u>Second week of February</u>
<u>16.</u>	<u>Provide two weeks following the scheduled stakeholder meeting for stakeholders to provide comments to the CAISO.</u>	<u>Last two weeks of February</u>
<u>17.</u>	<u>Provide two weeks for CAISO and PTOs to review and address stakeholder comments.</u>	<u>First two weeks of March</u>
<u>18.</u>	<u>Provide three weeks following the stakeholder meeting for PTOs to review, update as needed, and finalize their per unit costs.</u>	<u>First three weeks of March</u>
<u>19.</u>	<u>PTOs to provide their final per unit costs to the CAISO for posting to the CAISO Website.</u>	<u>End of third week of March</u>
<u>20.</u>	<u>CAISO to review and post the PTOs' final per unit costs to the CAISO Website.</u>	<u>Fourth week of March</u>
<u>21.</u>	<u>Final per unit costs are posted and available for use to estimate the costs of Network Upgrades and Interconnection Facilities.</u>	<u>Last week of March to first of April</u>

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