

July 18, 2013

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

**Re: California Independent System Operator Corporation –  
Filing of Certificates of Concurrence Relating to Large Generator  
Interconnection Agreements Accepted in Docket No. ER13-875-000**

**Docket No. ER13-\_\_\_\_-000**

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”) hereby submits for filing Certificates of Concurrence with respect to the Large Generator Interconnection Agreements (“LGIAs”) listed below.<sup>1</sup> The original versions of the LGIAs listed below were filed by Southern California Edison Company (“SCE”), as the Participating Transmission Owner and a party to the LGIAs, as service agreements under SCE’s tariff. The ISO separately filed an identical version of each of the LGIAs listed below under its own tariff. The Commission accepted these SCE and ISO filings.

## **I. Overview and Designated Filer**

On February 4, 2013, SCE filed amended versions of a number of LGIAs, including the LGIAs listed below, in Docket No. ER13-875-000, with a requested effective date of January 1, 2013. In that filing, SCE explained that it was amending these LGIAs in order to update the monthly charge to recover the revenue requirement relating to the facilities that it provided based on the rate

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<sup>1</sup> The ISO submits this filing pursuant to Sections 35.1 and 131.52 of the Commission’s regulations, 18 C.F.R. §§ 35.1, 131.52.

most recently adopted by the California Public Utilities Commission. The Commission accepted SCE's filing in a letter order issued on March 12, 2013.<sup>2</sup>

A number of the LGIAs amended by SCE in its February 4 filing have also been separately filed by the ISO as service agreements under its own tariff.<sup>3</sup> Rather than filing duplicate versions of the amended LGIAs under the ISO tariff, the ISO is submitting concurrence tariff records that are attached to the instant filing. These concurrence tariff records are intended to supersede and replace the tariff records associated with the ISO's filings of the LGIAs as accepted by the Commission in the following proceedings:

<b>Interconnection Customer</b>	<b>SCE Service Agreement Number</b>	<b>Docket Number of Original LGIA Filing by the ISO</b>	<b>ISO Service Agreement Number</b>
Abengoa Solar, Inc.	94	ER11-2368	1750
Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Alta Wind VI, LLC, and Alta Interconnection Management, LLC	75	ER10-2146	1631
Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Interconnection Management II, LLC	76	ER10-2122	1562
AV Solar Ranch I, LLC	96	ER11-2572	1805
Coram California Development, L.P.	95	ER11-2386	1802
Desert Sunlight 300, LLC, Desert Sunlight 250, LLC, and Desert Sunlight Holdings, LLC	86	ER10-2282; amended in Docket No. ER12-1786	1647
Granite Wind, LLC	91	ER11-2369	1748
Manzana Wind LLC	89	ER11-2139	1718

<sup>2</sup> Commission Letter Order, Docket No. ER13-875-000 (Mar. 12, 2013).

<sup>3</sup> With respect to the agreements included in SCE's February 4 filing but not listed here, the ISO did not file those agreements separately with the Commission because they did not contain deviations from the *pro forma* version of the interconnection agreement set forth in the ISO tariff. Consistent with the Commission's regulations, the ISO retains copies of these agreements in its files. See 18 C.F.R. Section 35.1(g).

<b>Interconnection Customer</b>	<b>SCE Service Agreement Number</b>	<b>Docket Number of Original LGIA Filing by the ISO</b>	<b>ISO Service Agreement Number</b>
NextEra Desert Center Blythe, LLC	109	ER11-4512	2220
Palen Solar II, LLC	98	ER11-2451	1828
Palo Verde Solar II, LLC	97	ER11-2318	1774
Solar Partners I, LLC	73	ER11-2883	1511
Solar Partners II, LLC	78	ER10-2147	1643
Solar Partners VIII, LLC	85	ER10-2148	1645
The Nevada Hydro Company, Inc.	119	ER12-1305	2442

In this filing, each of the concurrence tariff records is designated with the same service agreement number under the ISO tariff as listed above.<sup>4</sup>

SCE serves as the “designated filer” as to the LGIAs pursuant to the Joint Tariff Filing procedures outlined in Order No. 714.<sup>5</sup>

## **II. Proposed Effective Date and General Request for Waivers**

The ISO respectfully requests any waivers of the Commission’s filing regulations necessary to establish an effective date of January 1, 2013 for its Certificates of Concurrence for the LGIAs listed above, consistent with the January 1 effective date that SCE requested in its February 4, 2013 filing. To the extent that the enclosed materials and information do not meet the detailed filing requirements of the Commission’s regulations, the ISO respectfully requests that the Commission grant any necessary waivers.

## **III. Communications**

The ISO requests that the following individual be placed on the official service list for this proceeding.

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<sup>4</sup> In addition to the agreements listed in this table, the ISO also filed an interconnection agreement for North Sky River Energy, LLC as ISO Service Agreement No. 2415 in Docket No. ER12-1787. The ISO already filed a certificate of concurrence relating to this agreement earlier this year in Docket No. ER13-763.

<sup>5</sup> See *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270, at P 63 (2008) (“Order No. 714”) (permitting joint filers to designate one entity to file a tariff and requiring non-designated entities to submit a certificate of concurrence).

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#### **IV. Service**

The ISO has served a copy of this filing on the interconnection customers listed above, SCE, and the California Public Utilities Commission. In addition, the ISO has posted a copy of this filing on its website.

#### **V. Contents of Filing**

This filing includes the following:

1. This transmittal letter
2. Attachment A - Certificate of Concurrence with Service Agreement No. 94 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Abengoa Solar LGIA)
3. Attachment B - Concurrence tariff record for the Abengoa Solar LGIA, designated as Service Agreement No. 1750 under the ISO tariff and as Service Agreement No. 94 under SCE's FERC Electric Tariff, Original Volume No. 6
4. Attachment C - Black-lined revisions showing the deletion of the earlier version of the Abengoa Solar LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-2368, which was designated as Service Agreement No. 1750 under the ISO tariff
5. Attachment D - Certificate of Concurrence with Service Agreement No. 75 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Alta Wind I LGIA)
6. Attachment E - Concurrence tariff record for the Alta Wind I LGIA, designated as Service Agreement No. 1631 under the ISO tariff and as Service Agreement No. 75 under SCE's FERC Electric Tariff, Original Volume No. 6

7. Attachment F - Black-lined revisions showing the deletion of the earlier version of the Alta Wind I LGIA filed by the ISO and accepted by the Commission in Docket No. ER10-2146, which was designated as Service Agreement No. 1631 under the ISO tariff
8. Attachment G - Certificate of Concurrence with Service Agreement No. 76 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Alta Windpower Development LGIA)
9. Attachment H - Concurrence tariff record for the Alta Windpower Development LGIA, designated as Service Agreement No. 1562 under the ISO tariff and as Service Agreement No. 76 under SCE's FERC Electric Tariff, Original Volume No. 6
10. Attachment I - Black-lined revisions showing the deletion of the earlier version of the Alta Windpower Development LGIA filed by the ISO and accepted by the Commission in Docket No. ER10-2122, which was designated as Service Agreement No. 1562 under the ISO tariff
11. Attachment J - Certificate of Concurrence with Service Agreement No. 96 under SCE's FERC Electric Tariff, Original Volume No. 6 (the AV Solar Ranch I LGIA)
12. Attachment K - Concurrence tariff record for the AV Solar Ranch I LGIA, designated as Service Agreement No. 1805 under the ISO tariff and as Service Agreement No. 96 under SCE's FERC Electric Tariff, Original Volume No. 6
13. Attachment L - Black-lined revisions showing the deletion of the earlier version of the AV Solar Ranch I LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-2572, which was designated as Service Agreement No. 1805 under the ISO tariff
14. Attachment M - Certificate of Concurrence with Service Agreement No. 95 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Coram California Development LGIA)
15. Attachment N - Concurrence tariff record for the Coram California Development LGIA, designated as Service Agreement No. 1802 under the ISO tariff and as Service Agreement No. 95 under SCE's FERC Electric Tariff, Original Volume No. 6
16. Attachment O - Black-lined revisions showing the deletion of the earlier version of the Coram California Development LGIA filed by

the ISO and accepted by the Commission in Docket No. ER11-2386, which was designated as Service Agreement No. 1802 under the ISO tariff

17. Attachment P - Certificate of Concurrence with Service Agreement No. 86 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Desert Sunlight 300 LGIA)
18. Attachment Q - Concurrence tariff record for the Desert Sunlight 300 LGIA, designated as Service Agreement No. 1647 under the ISO tariff and as Service Agreement No. 86 under SCE's FERC Electric Tariff, Original Volume No. 6
19. Attachment R - Black-lined revisions showing the deletion of the earlier version of the Desert Sunlight 300 LGIA filed by the ISO, accepted by the Commission in Docket No. ER10-2282, and amended in Docket No. ER12-1786, which was designated as Service Agreement No. 1647 under the ISO tariff
20. Attachment S - Certificate of Concurrence with Service Agreement No. 91 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Granite Wind LGIA)
21. Attachment T - Concurrence tariff record for the Granite Wind LGIA, designated as Service Agreement No. 1748 under the ISO tariff and as Service Agreement No. 91 under SCE's FERC Electric Tariff, Original Volume No. 6
22. Attachment U - Black-lined revisions showing the deletion of the earlier version of the Granite Wind LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-2369, which was designated as Service Agreement No. 1748 under the ISO tariff
23. Attachment V - Certificate of Concurrence with Service Agreement No. 89 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Manzana Wind LGIA)
24. Attachment W - Concurrence tariff record for the Manzana Wind LGIA, designated as Service Agreement No. 1718 under the ISO tariff and as Service Agreement No. 89 under SCE's FERC Electric Tariff, Original Volume No. 6
25. Attachment X - Black-lined revisions showing the deletion of the earlier version of the Manzana Wind LGIA filed by the ISO and

accepted by the Commission in Docket No. ER11-2139, which was designated as Service Agreement No. 1718 under the ISO tariff

26. Attachment Y - Certificate of Concurrence with Service Agreement No. 109 under SCE's FERC Electric Tariff, Original Volume No. 6 (the NextEra Desert Center Blythe LGIA)
27. Attachment Z - Concurrence tariff record for the NextEra Desert Center Blythe LGIA, designated as Service Agreement No. 2220 under the ISO tariff and as Service Agreement No. 109 under SCE's FERC Electric Tariff, Original Volume No. 6
28. Attachment AA - Black-lined revisions showing the deletion of the earlier version of the NextEra Desert Center Blythe LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-4512, which was designated as Service Agreement No. 2220 under the ISO tariff
29. Attachment BB - Certificate of Concurrence with Service Agreement No. 98 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Palen Solar II LGIA)
30. Attachment CC - Concurrence tariff record for the Palen Solar II LGIA, designated as Service Agreement No. 1828 under the ISO tariff and as Service Agreement No. 98 under SCE's FERC Electric Tariff, Original Volume No. 6
31. Attachment DD - Black-lined revisions showing the deletion of the earlier version of the Palen Solar II LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-2451, which was designated as Service Agreement No. 1828 under the ISO tariff
32. Attachment EE - Certificate of Concurrence with Service Agreement No. 97 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Palo Verde Solar II LGIA)
33. Attachment FF - Concurrence tariff record for the Palo Verde Solar II LGIA, designated as Service Agreement No. 1774 under the ISO tariff and as Service Agreement No. 97 under SCE's FERC Electric Tariff, Original Volume No. 6
34. Attachment GG - Black-lined revisions showing the deletion of the earlier version of the Palo Verde Solar II LGIA filed by the ISO and

accepted by the Commission in Docket No. ER11-2318, which was designated as Service Agreement No. 1774 under the ISO tariff

35. Attachment HH - Certificate of Concurrence with Service Agreement No. 73 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Solar Partners I LGIA)
36. Attachment II - Concurrence tariff record for the Solar Partners I LGIA, designated as Service Agreement No. 1511 under the ISO tariff and as Service Agreement No. 73 under SCE's FERC Electric Tariff, Original Volume No. 6
37. Attachment JJ - Black-lined revisions showing the deletion of the earlier version of the Solar Partners I LGIA filed by the ISO and accepted by the Commission in Docket No. ER11-2883, which was designated as Service Agreement No. 1511 under the ISO tariff
38. Attachment KK - Certificate of Concurrence with Service Agreement No. 78 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Solar Partners II LGIA)
39. Attachment LL - Concurrence tariff record for the Solar Partners II LGIA, designated as Service Agreement No. 1643 under the ISO tariff and as Service Agreement No. 78 under SCE's FERC Electric Tariff, Original Volume No. 6
40. Attachment MM - Black-lined revisions showing the deletion of the earlier version of the Solar Partners II LGIA filed by the ISO and accepted by the Commission in Docket No. ER10-2147, which was designated as Service Agreement No. 1643 under the ISO tariff
41. Attachment NN - Certificate of Concurrence with Service Agreement No. 85 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Solar Partners VIII LGIA)
42. Attachment OO - Concurrence tariff record for the Solar Partners VIII LGIA, designated as Service Agreement No. 1645 under the ISO tariff and as Service Agreement No. 85 under SCE's FERC Electric Tariff, Original Volume No. 6
43. Attachment PP - Black-lined revisions showing the deletion of the earlier version of the Solar Partners VIII LGIA filed by the ISO and accepted by the Commission in Docket No. ER10-2148, which was designated as Service Agreement No. 1645 under the ISO tariff

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44. Attachment QQ - Certificate of Concurrence with Service Agreement No. 119 under SCE's FERC Electric Tariff, Original Volume No. 6 (the Nevada Hydro Company LGIA)
45. Attachment RR - Concurrence tariff record for the Nevada Hydro Company LGIA, designated as Service Agreement No. 2442 under the ISO tariff and as Service Agreement No. 119 under SCE's FERC Electric Tariff, Original Volume No. 6
46. Attachment SS - Black-lined revisions showing the deletion of the earlier version of the Nevada Hydro Company LGIA filed by the ISO and accepted by the Commission in Docket No. ER12-1305, suspended for a nominal period, and made subject to refund and hearing and settlement judge procedures, which was designated as Service Agreement No. 2442 under the ISO tariff

## **VI. Conclusion**

For the reasons stated herein, the ISO respectfully requests that the Commission (a) accept the Certificates of Concurrence contained in this filing with an effective date of January 1, 2013 and (b) grant the waivers requested herein.

Respectfully submitted,

/s/ Sidney M. Davies  
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Operator Corporation  
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Enclosures

**Attachment A**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 94 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Abengoa Solar Inc., SCE, and ISO, designated as SCE Service Agreement No. 94

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

\_\_\_\_\_  
California Independent System  
Operator Corporation  
By its duly authorized official,



\_\_\_\_\_  
Keith E. Casey

Dated: July 12, 2013

**Attachment B - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1750**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Abengoa Solar, Inc., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 94.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 94, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment C - Marked  
Concurrence Tariff Record  
California Independent System Operator Corporation  
July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1750**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Abengoa Solar, Inc., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 94.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 94, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

Title Page

~~California Independent System Operator  
Non-Conforming Service Agreements  
Tariff Record Title: Service Agreement No. 1750~~

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

~~AMONG~~

~~ABENGOA SOLAR INC.~~

~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~(Mojave Solar Project)~~

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~~Tariff Record Proposed Effective Date: 01/30/2011~~

~~Version Number: 0,0,0~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~ABENGOA SOLAR INC.~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~("LGIA") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and among Abengoa Solar Inc., a corporation organized and existing under the laws of the State of Delaware ("**Interconnection Customer**" with a Large Generating Facility); Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and~~

Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.

**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were

~~interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.~~

~~**IRS** shall mean the Internal Revenue Service.~~

~~**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~**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).~~

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~~**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.~~

~~**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.~~

~~**Standard 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 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, 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**~~

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~~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 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 thirty (30) 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, which notice has been accepted for filing by FERC.**~~

~~2.4 **Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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. However, to the extent that the costs of the Participating TO's Delivery Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

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

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

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

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

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

## **ARTICLE 3. REGULATORY FILINGS AND 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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7~~ **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The

~~Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

~~**6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System~~

~~Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.~~

## **ARTICLE 7. METERING**

~~**7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2 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.** For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.

~~9.7.4~~ **System Protection and Other Control Requirements.**

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

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

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

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

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

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

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

~~rejection, over or under voltage, and generator loss of field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~**9.9 Use of Interconnection Facilities by Third Parties.**~~

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

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

**9.10 ~~Disturbance Analysis Data Exchange.~~**

~~The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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.~~

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## **ARTICLE 10. MAINTENANCE**

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

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

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

**10.4 Secondary Systems.** The Participating TO and Interconnection Customer shall cooperate with the other Parties in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Parties. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

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

## **ARTICLE 11. PERFORMANCE OBLIGATION**

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

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

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

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5** \_\_\_\_\_ **Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

~~In addition:~~

~~**11.5.1** \_\_\_\_\_ The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

#### ~~11.6~~ **Interconnection Customer**

~~**Compensation.**~~ If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual

payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.

~~12.3~~ ~~Payment.~~ Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.

~~12.4~~ ~~Disputes.~~ In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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~~



~~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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

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

Name: David L. Mead

Title: Vice President

Date: November 15, 2010

**California Independent System Operator Corporation**

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

Name: Steve Berberich

Title: Vice President & Chief Operating Officer

Date: November 18, 2010

**Abengoa Solar Inc.**

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

Name: Emiliano Garcia Sanz

Title: General Manager

Date: November 12, 2010

## **Appendices to LGIA**

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Reliability Management System Agreement

Appendix H Interconnection Requirements for an Asynchronous Generating Facility

**Appendix A  
To LGIA**

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

The Mojave Solar Project will connect to Participating TO's existing Cool Water-Kramer No. 1 220kV line, which is currently not part of the CAISO Controlled Grid, via a new Lockhart Substation. The Cool Water-Kramer No.1 220kV line, together with the Cool Water-Kramer No. 2 220kV line, are transmission lines that are radial to the CAISO Controlled Grid ("Radial Lines") and are presently solely used to provide service to the Cool Water Generating Station via the SCE-Reliant Energy Coolwater, LLC Amended and Restated Radial Lines Agreement ("Radial Lines Agreement"). Such facilities, along with the new Lockhart Substation, will remain radial to the CAISO Controlled Grid subsequent to interconnection of the Mojave Solar Project. While ownership between the Participating TO's and the Interconnection Customer's Interconnection Facilities will change at the new Lockhart Substation, interconnection to the CAISO Controlled Grid will be at the Kramer 220kV Substation, which is the western terminus for the Radial Lines. Accordingly, Lockhart Substation and its associated 220kV line-loop described herein are identified as Participating TO's Interconnection Facilities, and the upgrades at and beyond the Kramer Substation 220kV bus are identified as Network Upgrades.

The Interconnection Facilities described herein reflect additional facilities required to connect the Mojave Solar Project to the Participating TO's Radial Lines. In addition to the facilities and costs described herein, the Mojave Solar Project will be allocated a proportionate share of the facilities which, prior to interconnection of the Mojave Solar Project, are 100% assigned to the Cool Water Generating Station via the Radial Lines Agreement. Such proportionate share will be allocated to the Mojave Solar Project under the terms and conditions of a separate Mojave Solar Project Radial Lines Agreement between Participating TO and Interconnection Customer.

The configuration described above is expected to remain in place until the Participating TO's Delivery Network Upgrades described herein are placed in service, and applicable portions of the Radial Lines and the new Lockhart Substation are subsequently placed under CAISO operational control and become part of the CAISO Controlled Grid.

**1. Interconnection Facilities:**

**(a) Interconnection Customer's**

**Interconnection Facilities:** The Interconnection Customer shall:

- (i) Construct the two (2) Alpha and Beta Generation Tie Lines between the Mojave Solar Project and the Point of Change of Ownership.
- (ii) Install an optical ground wire ("OPGW") telecommunications circuit on the Alpha and Beta Generation Tie Lines to support the line protection required for the Alpha and Beta Generation Tie Lines. The OPGW will

also be used as one of the two fiber optic channels required for the Special Protection System (“SPS”), and to support the Remote Terminal Units (“RTU”).

(iii) \_\_\_\_\_ Install all required CAISO approved metering equipment at the Mojave Solar Project. Such metering equipment will also be used for the circuit that will feed Participating TO’s retail meters for the Mojave Solar Project auxiliary load and must be capable of an accuracy of 0.15%.

(iv) \_\_\_\_\_ Install a metering cabinet to house Participating TO’s retail meters which allows for 24-hour access by Participating TO.

(v) \_\_\_\_\_ Install the appropriate line protection relays at the Mojave Solar Project for each of the Alpha and Beta Generation Tie Lines, as specified by the Participating TO. As part of the Interconnection Facilities Study, the expected relays were identified to include the following:

1. \_\_\_\_\_ one (1) SEL-311L line current differential relay for each of the Alpha and Beta Generation Tie Lines with dual dedicated digital communication channels to Lockhart Substation

2. \_\_\_\_\_ one (1) GE L90 current differential relay for each of the Alpha and Beta Generation Tie Lines with dual dedicated digital communication channels to Lockhart Substation

3. \_\_\_\_\_ one (1) SEL-2030 communications processor for each of the Alpha and Beta Generation Tie Lines

(vi) \_\_\_\_\_ Install the appropriate SPS relays at the Mojave Solar Project to trip the generator circuit breakers at each of the Alpha and Beta Generating Facilities, as specified by the Participating TO. As part of the Interconnection Facilities Study, the expected SPS relays were identified to include the following:

1. \_\_\_\_\_ two (2) GE N60 relays (one for SPS A and one for SPS B) for generator tripping at each of the Alpha and Beta Generating Facilities

2. \_\_\_\_\_ one (1) SEL-2407 satellite synchronized clock at each of the Alpha and Beta Generating Facilities

(vii) \_\_\_\_\_ Perform required site preparation and grading for Participating TO’s Lockhart Substation. The substation pad shall be graded to meet Participating TO’s size, slope, and other civil requirements:

1. \_\_\_\_\_ Prepare a grading and drainage plan showing the finished substation pad for Participating TO’s Lockhart Substation. The Lockhart Substation internal dimensions shall measure approximately 453 feet x 545 feet, with an additional 10 foot wide buffer around the entire station.

2. \_\_\_\_\_ The design shall provide drainage improvements that prevent upslope surface water from entering Lockhart Substation.

3. \_\_\_\_\_ The design shall provide an asphalt concrete paved access road extending from the Interconnection Customer’s planned roadway network.

4. \_\_\_\_\_ Interconnection Customer shall grade the site and access road in accordance with the grading plans, as approved by the applicable approval agency and the Participating TO. Participating TO will use

~~Reasonable Efforts to review and provide comments to such grading plans within thirty (30) Calendar Days of the Interconnection Customer's submission to Participating TO.~~  
~~(viii) \_\_\_\_\_ Grant an easement which provides the Participating TO unrestricted, 24 hour access to Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades for construction, operation, and maintenance.~~

~~(b) \_\_\_\_\_ **Participating TO's Interconnection Facilities:** The Participating TO shall:~~

~~(i) \_\_\_\_\_ **Cool Water-Kramer No. 1 220kV Line:** Loop the existing line in and out of Lockhart Substation and form the two new Cool Water-Lockhart and Kramer-Lockhart 220kV transmission lines. This work requires the installation of new double circuit tower line with one initial circuit from the existing 220kV right-of-way to the new Lockhart Substation. The specifics include the following:~~

~~1. \_\_\_\_\_ Install four (4) double circuit lattice towers equipped with one initial circuit utilizing 1B-1590KCMIL ACSR conductors per phase.~~

~~2. \_\_\_\_\_ Install OPGW on the double-circuit tower line.~~

~~3. \_\_\_\_\_ Install forty-two (42) dead-end insulator hardware assemblies with eight-four (84) polymer insulators.~~

~~(ii) \_\_\_\_\_ **Alpha-Lockhart 220kV Generation Tie Line:** Install one (1) span of 1B-1590KCMIL ACSR conductor and six (6) dead-end insulator hardware assemblies between the last Alpha Generation Tie Line dead-end structure and the Lockhart Substation 220kV switchyard.~~

~~(iii) \_\_\_\_\_ **Beta-Lockhart 220kV Generation Tie Line:** Install one (1) span of 1B-1590KCMIL ACSR conductor and six (6) dead-end insulator hardware assemblies between the last Beta Generation Tie Line dead-end structure and the Lockhart Substation 220kV switchyard.~~

~~(iv) \_\_\_\_\_ **Lockhart Substation:** Install a new 220kV substation to interconnect the Mojave Solar Project. The new 220kV substation will be served by looping the Cool Water-Kramer No. 1 220kV transmission line in and out of the substation. The new substation will include two 220kV operating buses covering six 220kV positions arranged in a breaker-and-half configuration. One 220kV position will be equipped with three circuit breakers and will be used to support looping the Cool Water-Kramer No.1 220kV transmission line; one 220kV position will be used to terminate the Alpha 220kV Generation Tie Line; and one position to terminate the Beta Generation Tie Line. The three remaining positions will be reserved for future use.~~

~~*For planning purposes and for the purpose of this LGIA, this substation is referred to as Lockhart Substation. Following the Effective Date of this agreement the Participating TO will officially name the substation based on the Participating TO's substation naming criteria. In the event the Participating TO names the substation something other than Lockhart Substation, this LGIA will be amended accordingly.*~~

1. \_\_\_\_\_ Operating Buses: Install the following equipment on the 220kV east and west buses:
  - a. \_\_\_\_\_ Four (4) bus dead-end structures (45 ft. high by 50 ft. wide)
  - b. \_\_\_\_\_ Four (4) bus dead-end insulator assemblies
  - c. \_\_\_\_\_ Four (4) 220kV CCVT potential devices
  - d. \_\_\_\_\_ Two (2) 220 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 4,000 ft. of conductor)
2. \_\_\_\_\_ Position 1: Left vacant for future looping of the Cool Water-Kramer No. 2 220kV transmission line
3. \_\_\_\_\_ Position 2: Install the following equipment to terminate the Cool Water and Kramer 220kV transmission lines being looped-in to the substation at a three-breaker line position on a breaker-and-a-half configuration:
  - a. \_\_\_\_\_ Two (2) dead-end structures (64 ft. high by 45 ft. wide)
  - b. \_\_\_\_\_ Three (3) 220kV - 3000A - 50kA circuit breakers including foundations
  - c. \_\_\_\_\_ Six (6) 220kV - 3000A - 80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, two of them equipped with grounding attachments
  - d. \_\_\_\_\_ Six (6) 220kV bus supports
  - e. \_\_\_\_\_ Six (6) 220kV CCVT potential devices
  - f. \_\_\_\_\_ Six (6) surge arresters
  - g. \_\_\_\_\_ Six (6) line tie-downs with 2B-1590KCMIL ACSR conductors per phase
  - h. \_\_\_\_\_ Three (3) 280 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)
4. \_\_\_\_\_ Position 3: Left vacant for future use
5. \_\_\_\_\_ Position 4: Left vacant for future use
6. \_\_\_\_\_ Position 5: Install the following equipment to terminate the new Alpha 220kV Generation Tie Line at a dedicated double breaker position on a breaker-and-a-half configuration:
  - a. \_\_\_\_\_ One (1) dead-end structure (65 ft. high by 50 ft. wide) with a 15 ft. high extension for OPGW
  - b. \_\_\_\_\_ Two (2) 220kV - 3000A - 50kA circuit breakers including foundations
  - c. \_\_\_\_\_ Four (4) 220kV - 3000A - 80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, one of them equipped with grounding attachments
  - d. \_\_\_\_\_ Fifteen (15) 220kV bus supports
  - e. \_\_\_\_\_ Three (3) 220kV CCVT potential devices
  - f. \_\_\_\_\_ Three (3) 220kV lightning arresters
  - g. \_\_\_\_\_ Three (3) line tie-downs with 2B-1590KCMIL ACSR conductors per phase
  - h. \_\_\_\_\_ Three (3) 280 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)

7. ~~Position 6: Install the following equipment to terminate the new Beta 220kV Generation Tie Line at a dedicated double breaker position on a breaker-and-a-half configuration:~~
- a. ~~One (1) dead-end structure (65 ft. high by 50 ft. wide) with a 15 ft. high extension for OPGW~~
  - b. ~~Two (2) 220kV – 3000A — 50kA circuit breakers including foundations~~
  - c. ~~Four (4) 220kV — 3000A — 80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, one of them equipped with grounding attachments~~
  - d. ~~Fifteen (15) 220kV bus supports~~
  - e. ~~Three (3) 220kV CCVT potential devices~~
  - f. ~~Three (3) 220kV lightning arresters~~
  - g. ~~Three (3) line tie-downs with 2B-1590KCMIL ACSR conductors per phase~~
  - h. ~~Three (3) 280 ft. sections 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)~~
  - i. ~~One (1) dead-end structure (64 ft. high by 45 ft. wide) to terminate the conductors from the Kramer 220kV transmission line at Position 2-W.~~
8. ~~Mechanical-Electrical Equipment Room (MEER): Install a new 30 ft. by 46 ft. MEER to house the following equipment:~~
- a. ~~Batteries and battery charger~~
  - b. ~~Light & power selector switch~~
  - c. ~~Light & power panel~~
  - d. ~~A.C. distribution panel~~
  - e. ~~D.C. distribution panel~~
  - f. ~~All telecommunications equipment~~
  - g. ~~Control and relay panels~~
  - h. ~~Four (4) air conditioning units~~
  - 9. ~~Protection Relays:~~
    - a. ~~220kV buses~~
    - i. ~~One (1) GEPVD21D and one (1) SEL-5872 bus differential relay for each 220kV East and West bus~~
    - b. ~~220kV Transmission Lines:~~
      - i. ~~Install the following relays for the Participating TO's Cool Water-Lockhart and Kramer-Lockhart 220kV transmission lines:~~
        - 1. ~~Three (3) GE C60 breaker management relays~~
        - 2. ~~One (1) GE L90 line current differential relay for each line~~
        - 3. ~~One (1) Schweitzer SEL-311L line current differential relay for each line~~
      - ii. ~~Install the following relays for each 220kV Generation Tie Line:~~

1. Two (2) GE C60 breaker management relays
2. One (1) GE L90 line current differential relay
3. One (1) Schweitzer SEL-311L line current differential relay
- iii. Install one (1) 32/64 digital fault recorder
- iv. Install SPS relays as follows:
  1. Two (2) GE N60 relays for line monitoring of the Kramer-Lockhart 220kV line
  2. One (1) Schweitzer SEL-2407 satellite synchronized clock
10. Other Substation Elements:
  - a. Install approximately 1800 linear ft. of 8 ft. perimeter fence with double barbed wire to cover an approximate 450 ft. by 542 ft. area, and two (2) 20 ft. double door driveway gates.
  - b. Install grounding grid to cover a 453 ft. by 545 ft. area (3 ft. outside fence).
  - c. Install approximately 50,000 square ft. of paved driveway.
  - d. Install approximately 1000 linear ft. of control cable trench.
  - e. Install temporary power service to construct the substation.
11. IT Support
  - a. Install two (2) IT cabinets on each line dead-end in Position 2
  - b. Install two (2) IT manholes between each of the two lines in Position 2 and the MEER, a total of four (4) manholes
  - c. Install two (2) 5 in. PVC conduits from each line dead-end in Position 2 to the MEER, approximately 1500 ft total
12. 12kV Station Light and Power Switchrack – install one (1) 12kV station light and power switchrack equipped with the following:
  - a. Three (3) 10E, 12kV standard fuse disconnects
  - b. Three (3) 12kV/240v 25kVA three phase transformers
  - c. One (1) 12kV-120/240v 25kVA single phase transformer
  - d. Three (3) 12kV 10E standard fuses (spares) and fuse box
13. Station Light and Power Back-up – install twelve (12) 7.5 kVA, single phase transformers and one (1) automated transfer switch
- (v) Cool Water Generation Station Switchyard:
  1. Replace line protection on the existing Kramer No.1 and 2 220kV lines in Positions 2 and 5 to be compatible with the new line

~~protection relays to be installed at Lockhart Substation, and install SPS relays in Position 5 for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~

~~a. \_\_\_\_\_ Position 2:~~

~~i. \_\_\_\_\_ Replace the two (2) existing 220kV Kelman circuit breakers with 3000A — 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~

~~ii. \_\_\_\_\_ Remove the existing wave trap and line tuner~~

~~iii. \_\_\_\_\_ Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~

~~iv. \_\_\_\_\_ Replace the existing protective relays with one (1) GE L90 relay, one (1) SEL-311L relay including control switches and test switches, and two (2) C60 breaker failure relays~~

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- b. ~~Position 5:~~
- i. ~~Replace the two (2) existing 220kV Kelman circuit breakers with 3000A – 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~
- ii. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
- iii. ~~Replace the existing protective relays with one (1) GE L90 relay, one (1) SEL-311L relay including control switches and test switches, and two (2) C60 breaker failure relays~~
- iv. ~~Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS:~~
  - 1. ~~Two (2) GE N60 relays for line monitoring, logic processing and generator tripping~~
  - 2. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
- (vi) ~~Kramer Substation:~~
  - 1. ~~Replace line protection on the existing Cool Water-Kramer No.1 and No. 2 220kV lines in Positions 2 and 8 to be compatible with the new line protection relays to be installed at Lockhart Substation, and install SPS relays in Position 8 for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
    - a. ~~Position 2:~~
      - i. ~~Replace the two (2) existing 220kV Kelman circuit breakers with 3000A – 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~
      - ii. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections.~~
      - iii. ~~Replace the existing protective relays with one (1) GE L90 current differential relay with dual dedicated digital communication channels, one (1) SEL-311L line current differential relay with digital communication channels, and two (2) GE C60 breaker management relays~~
      - b. ~~Position 8:~~
        - i. ~~Replace one (1) existing 220kV Kelman circuit breaker on the North bus with a 3000A – 50kA rated circuit breaker, including foundations, all control cables and pull boxes~~
        - ii. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
        - iii. ~~Install twelve (12) current transformers on the existing circuit breaker in the tie position~~
        - iv. ~~Replace the existing protective relays with one (1) GE L90 current differential relay with dual dedicated digital communication channels, one (1) SEL-311L line current differential relay with dedicated digital communication channels, and two (2) GE C60 breaker management relays~~

- v. ~~Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS:~~
1. ~~Eight (8) GE N60 relays for line monitoring, logic processing and generator tripping~~
  2. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
- (vii) ~~Tortilla Substation: Construct a new communications room (approximate size is 14 ft. x 37 ft.) and required infrastructure, such as underground conduits, vaults, etc., to support the additional telecommunication equipment.~~
- (viii) ~~Power System Control:~~
1. ~~Install one (1) RTU at each of the Alpha and Beta Generating Facilities to transmit generator unit gross MW and MVAR, generator status, generator circuit breaker status, generator terminal voltage, and project net MW and MVAR.~~  
~~Notwithstanding that the RTUs will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTUs as part of the Participating TO's Interconnection Facilities.~~
  2. ~~Install one (1) RTU at Lockhart Substation to monitor MW, MVAR and phase amps at each line and also kV at lines and buses and all circuit breaker status/control, and protection relays status and alarms.~~
  3. ~~Replace existing RTU in the 220kV relay room at the Cool Water Generation Station Switchyard to allow the installation of additional points required to support the new SPS.~~
- (ix) ~~Telecommunications:~~
1. ~~Install approximately three miles of new All Dielectric Self Supporting (ADSS) fiber optic cable on new wood poles from the Lockhart Substation to each of the Alpha and Beta Generating Facilities to provide a second path to support the Alpha and Beta Generating Facilities 220kV line protection relays, RTUs, and support the SPS trip signals between the Lockhart Substation and the Alpha and Beta Generating Facilities.~~
  2. ~~Install ADSS fiber optic cable utilizing a combination of new and existing wood poles to provide the second of two diverse paths to support the Kramer-Lockhart and Cool Water-Lockhart 220kV line protection relays, RTU, and SPS trip signals between the Kramer and Lockhart Substations and between the Cool Water and Lockhart Substations. The following ADSS circuits are required:~~
    - a. ~~Install approximately seventeen miles of ADSS from the Lockhart Substation to Kramer Substation~~
    - b. ~~Install approximately thirty-one miles of ADSS from the Lockhart Substation to Tortilla Substation~~
    - c. ~~Completion of the telecommunications path to Cool Water will utilize the eleven mile Tortilla-Cool Water fiber optic cable that is proposed to be constructed under a previous Participating TO project (see Section 17 of this Appendix A).~~

3. \_\_\_\_\_ Install required lightwave terminal equipment and channel bank equipment required for interface between the fiber optic cable and relays at the following locations:
  - a. \_\_\_\_\_ Alpha and Beta Generating Facilities
  - b. \_\_\_\_\_ Lockhart Substation
  - c. \_\_\_\_\_ Cool Water Generating Station
  - d. \_\_\_\_\_ Kramer Substation (Lockhart-Kramer)
  - e. \_\_\_\_\_ Tortilla Substation

Notwithstanding that the fiber optic telecommunications circuit between Lockhart Substation and the Alpha and Beta Generating Facilities and terminal equipment at the Alpha and Beta Generating Facilities will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain these facilities as part of the Participating TO's Interconnection Facilities.

(x) \_\_\_\_\_ Corporate Real Estate, Project Licensing, Environmental Health & Safety: Perform all required functions to obtain easements and/or land acquisition, licensing and related environmental studies for the Lockhart Substation, the Cool Water-Kramer No. 1 220kV transmission line loop, and associated telecommunications.

**2. \_\_\_\_\_ Network Upgrades:**

a) \_\_\_\_\_ **Stand Alone Network Upgrades:** None.

b) \_\_\_\_\_ **Other Network Upgrades:**

(i) \_\_\_\_\_ **Participating TO's Reliability Network Upgrades:** The Participating TO shall:

1. \_\_\_\_\_ Kramer Substation:

a. \_\_\_\_\_ Replace line protection on the existing Kramer-Victor and Kramer-Roadway-Victor 115kV lines in Positions 2 and 3, and install SPS relays in Positions 2 and 3 required for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:

i. \_\_\_\_\_ Position 2:

1. \_\_\_\_\_ Install three (3) current transformers on each pole of the 115kV circuit breaker connected to the South bus

2. \_\_\_\_\_ Replace line protection using the following devices:

a. \_\_\_\_\_ One (1) SEL-311L line current differential relay with dual dedicated digital communication channels to Lockhart Substation

b. \_\_\_\_\_ One (1) GE L90 current differential relay with dual dedicated digital communication channels

3. \_\_\_\_\_ Install the following SPS relays:

a. \_\_\_\_\_ Four (4) GE N60 relays for line monitoring, logic processing and generator tripping

- b. \_\_\_\_\_ One (1) Schweitzer SEL-2407 satellite synchronized clock
- ii. \_\_\_\_\_ Position 3:
  - 1. \_\_\_\_\_ Replace line protection using the following devices:
    - a. \_\_\_\_\_ One (1) SEL-311L line current differential relay with dual dedicated digital communication channels to Lockhart Substation
    - b. \_\_\_\_\_ One (1) GE L90 current differential relay with dual dedicated digital communication channels
  - 2. \_\_\_\_\_ Install the following SPS relays:
    - a. \_\_\_\_\_ Four (4) GE N60 relays for line monitoring, logic processing and generator tripping
    - b. \_\_\_\_\_ One (1) Schweitzer SEL-2407 satellite synchronized clock
  - 2. \_\_\_\_\_ Lugo Substation:
    - a. \_\_\_\_\_ Install SPS relays on the existing Kramer-Lugo No.1 and No.2 lines in Positions 5 and 6 and on the Lugo No. 1 and No.2 AA Banks for bank monitoring required for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:
  - i. \_\_\_\_\_ Position 5:
    - 1. \_\_\_\_\_ Install twelve (12) current transformers on the existing 220kV tie circuit breaker
    - 2. \_\_\_\_\_ Install one (1) IT cabinet on the existing line dead end and two (2) 5 in. conduits to the existing communication room
    - 3. \_\_\_\_\_ Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS
      - a. \_\_\_\_\_ Six (6) GE N60 relays for the line and bank monitoring
      - b. \_\_\_\_\_ One (1) Schweitzer SEL-2407 satellite synchronized clock
  - ii. \_\_\_\_\_ Position 6:
    - 1. \_\_\_\_\_ Install twelve (12) current transformers on the existing 220kV tie circuit breaker
    - 2. \_\_\_\_\_ Install one (1) IT cabinet on the existing line dead end and two (2) 5 in. conduits to the existing communication room
    - 3. \_\_\_\_\_ Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS
      - a. \_\_\_\_\_ Six (6) GE N60 relays for the line and bank monitoring
      - b. \_\_\_\_\_ One (1) Schweitzer SEL-2407 satellite synchronized clock
  - 3. \_\_\_\_\_ Victor Substation:
    - a. \_\_\_\_\_ Install SPS relays on the existing Kramer-Victor and Kramer-Roadway-Victor 115kV lines in Positions 2 and 3 for inclusion of the Mojave Solar Project in the upgraded Kramer SPS :
  - i. \_\_\_\_\_ Position 2:

- 1. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
  - 2. ~~Install the following SPS relays for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
    - a. ~~Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
    - b. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
  - ii. ~~Position 3:~~
    - 1. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
    - 2. ~~Install the following SPS relays for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
      - a. ~~Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
      - b. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
    - 4. ~~Power System Control: Replace existing RTUs at Lugo and Victor Substations to allow the installation of additional points, and install two (2) new RTU's at Kramer Substation, required to support the new SPS.~~
    - 5. ~~Telecommunications:~~
      - a. ~~Install approximately thirty-eight miles of new ADSS fiber optic cable between Victor Substation and Kramer Substation on a combination of new wood poles and existing poles and install a repeater at Roadway Substation to support the SPS~~
      - b. ~~Complete the telecommunications loop by using the following existing infrastructure:~~
        - i. ~~Existing fifteen mile Lugo-Victor fiber optic cable.~~
        - ii. ~~Existing Kramer-Frost Peak-Lugo microwave path.~~
        - iii. ~~Existing Cool Water-Flash Two-Quartzsite-Lugo microwave path.~~
        - c. ~~Install required lightwave terminal equipment and channel bank equipment required for interface between the fiber optic cable and relays at the following locations:~~
          - i. ~~Kramer Substation (Victor-Kramer)~~
          - ii. ~~Lugo Substation~~
          - iii. ~~Victor Substation~~
- (ii) ~~Participating TO's Delivery Network Upgrades:~~ The Participating TO shall:
- 1. ~~Cool Water-Lugo 220kV Transmission Line:~~

- a. Install a new 59-mile 220kV transmission line including the following elements:
  - i. approximately 16 circuit miles of 2B-2156 KCMIL ACSR conductor (510,000 linear feet)
  - ii. approximately 43 circuit miles of 2B-1590KCMIL ACSR conductor (1,365,000 linear feet)
  - iii. ½ inch steel overhead ground wire as needed
  - iv. approximately 59 miles of OPGW (315,000 linear feet)
- b. The work also requires the removal of the following elements:
  - i. approximately eighteen 220kV single-circuit dead-end lattice structures
  - ii. approximately one hundred two 220kV single-circuit suspension lattice structures
  - iii. approximately 32 circuit miles of 605KCMIL ACSR conductor (510,000 linear feet)
  - iv. approximately 64 miles of ½ inch steel overhead ground wire (340,000 linear feet)

The specific details associated with the Cool Water-Lugo 220kV transmission line will be developed by the Participating TO as part of a Proponent's Environmental Assessment ("PEA") used to support an Application for Certificate of Public Convenience and Necessity ("CPGN") to the CPUC.

- 2. Cool Water Generating Station 220kV Switchyard:
  - a. Install additional equipment at the existing 220kV Position No. 1, presently terminating the Unit 31-32 transformer bank, to terminate the new Lugo 220kV transmission line in a breaker-and-a-half configuration:
    - i. one (1) low-profile dead-end structure (32 feet high x 47 feet wide)
    - ii. three (3) 220kV—3000A—50kA circuit breakers
    - iii. five (5) 220kV horizontal-mounted group operated disconnect switches, one of them equipped with grounding attachments
    - iv. three (3) line tie-downs with 2B-1590KCMIL ACSR conductors
    - v. three (3) 340-foot sections of 2B-1590KCMIL ACSR bus conductors (approximately 2,000 linear feet)
    - vi. remove six (6) 220kV bus supports
  - b. Install the following line protection and SPS related relays and equipment at the existing control room:
    - i. two (2) GE C60 breaker management relays

- ii. one (1) GE L90 line current differential relay
  - iii. one Schweitzer SEL-311L line current differential relay
  - iv. one Schweitzer SEL-2030 Communications Processor
  - v. two (2) GE N60 relays to monitor status of the Cool Water-Lugo 220kV transmission line
  - vi. one (1) Schweitzer SEL-2407 satellite synchronized clock
-

3. ~~\_\_\_\_\_~~ Lugo Substation:
  - a. ~~\_\_\_\_\_~~ Install the following equipment to terminate the Cool Water 220kV transmission line in a new double breaker line position arranged in a breaker and a half configuration:
    - i. ~~\_\_\_\_\_~~ one (1) dead-end structure (64 feet high x 45 feet wide)
    - ii. ~~\_\_\_\_\_~~ two (2) 220kV – 3000A – 50kA circuit breakers
    - iii. ~~\_\_\_\_\_~~ four (4) 220kV horizontal-mounted group operated disconnect switches, one of them equipped with grounding attachments
    - iv. ~~\_\_\_\_\_~~ eighteen (18) 220kV bus supports
    - v. ~~\_\_\_\_\_~~ three (3) line tie-downs with 2B-1590KCMIL ACSR bus conductors
    - vi. ~~\_\_\_\_\_~~ three (3) 280 feet sections of 2B-1590KCMIL ACSR conductors (approximately 1,700 linear feet)
  - b. ~~\_\_\_\_\_~~ Install the following line protection and SPS related relays and equipment at the existing control room:
    - i. ~~\_\_\_\_\_~~ two (2) GE C60 breaker management relays
    - ii. ~~\_\_\_\_\_~~ one (1) GE L90 line current differential relay
    - iii. ~~\_\_\_\_\_~~ one (1) Schweitzer SEL-311L line current differential relay
    - iv. ~~\_\_\_\_\_~~ one (1) Schweitzer SEL-2030 communications processor
    - v. ~~\_\_\_\_\_~~ two (2) GE N60 relays to monitor status of the Cool Water-Lugo 220kV transmission line, perform logic processing, and send corresponding trip signals to both the Alpha and Beta Generating Facilities under the line outage
    - vi. ~~\_\_\_\_\_~~ one (1) Schweitzer SEL-2407 satellite synchronized clock
4. ~~\_\_\_\_\_~~ Telecommunications: Install lightwave transponder equipment or optical amplifier equipment, and channel bank equipment at Cool Water and Lugo Substations.
5. ~~\_\_\_\_\_~~ Power System Control: Install new RTUs at Lugo Substation and the Cool Water Generating Station to allow the installation of additional point required to monitor the new 220kV line positions and support the new SPS.
6. ~~\_\_\_\_\_~~ Corporate Real Estate, Project Licensing, Environmental Health & Safety: Perform all required functions to obtain easements and/or land acquisition, licensing and related environmental studies for the Participating TO's Delivery Network Upgrades, including the new Cool Water-Lugo 220kV transmission line and associated telecommunications.

The above scope of work for the Participating TO's Delivery Network Upgrades is based on the Interconnection Facilities Study report dated November 20, 2009. The Participating TO is currently refining the scope of work and the estimated costs for the

~~Participating TO's Delivery Network Upgrades based on supplemental engineering information. Following the Effective Date of this LGIA, the Participating TO will amend this LGIA to reflect an updated scope of work and cost estimate for the Participating TO's Delivery Network Upgrades.~~

~~**3. Distribution Upgrades:** The Participating TO shall:~~

~~(a) Distribution Upgrades not subject to the Distribution Upgrades Charge~~

~~(i) Relocate and upgrade approximately one mile of the existing overhead conductor to 1/0 ACSR conductor on approximately twenty-two existing wood poles~~

~~(b) Distribution Upgrades subject to the Distribution Upgrades Charge~~

~~(i) Connect the existing Hutt 12kV distribution circuit out of the Hutt Poletop Substation to the 12kV rack inside the new Lockhart Substation.~~

~~1. Install a new riser pole~~

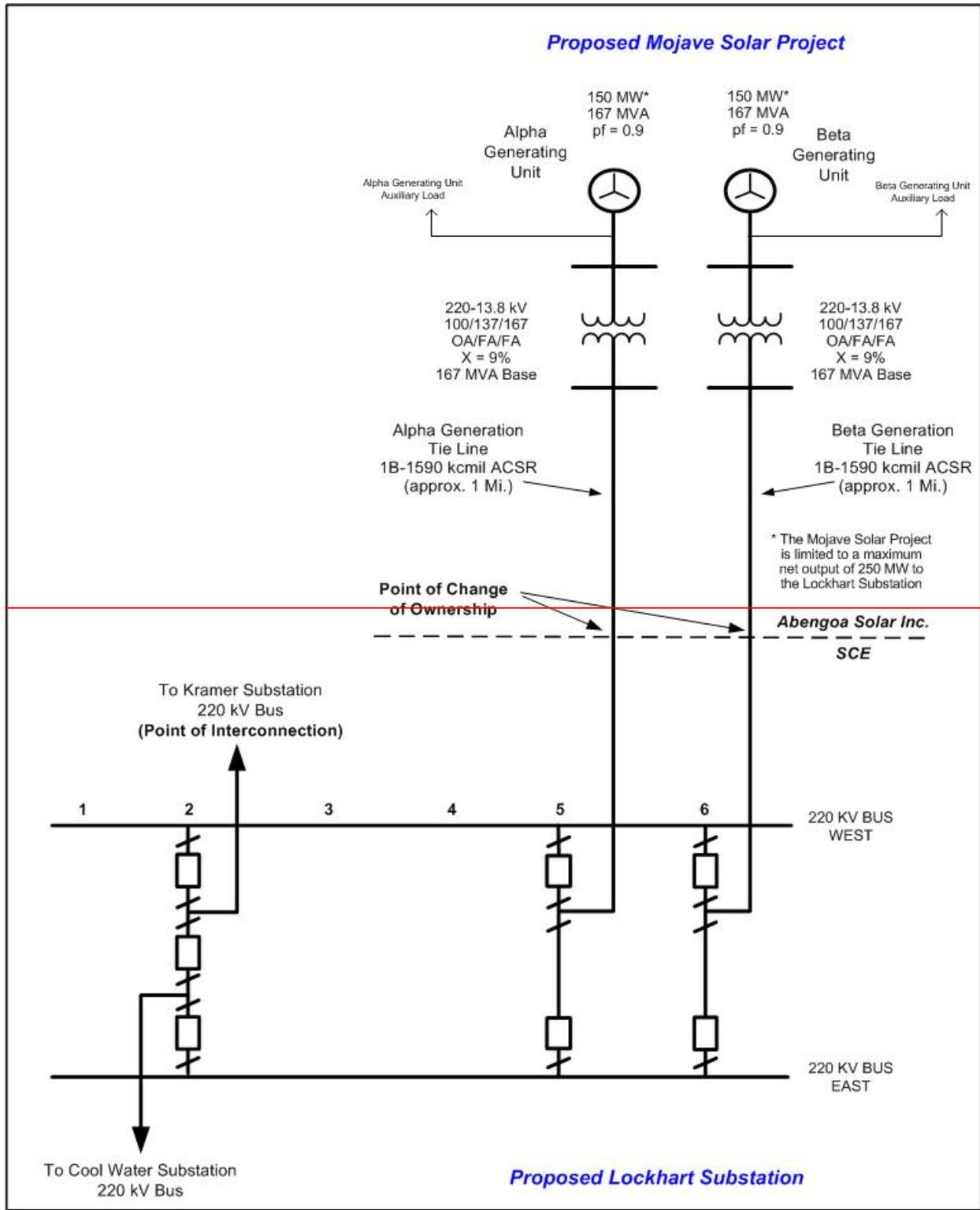
~~2. Install between 100-400 ft. of two (2) five inch underground conduits from the new riser pole west of the new Lockhart Substation to the substation 12kV rack to provide a path for one of the two required sources of station light and power~~

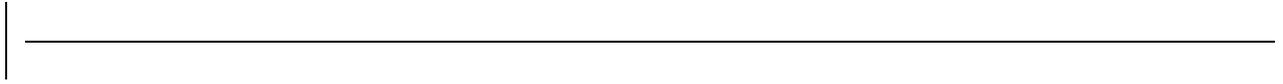
~~**4. Point of Change of Ownership:** The point at which the conductors of Participating TO's Interconnection Facilities attach to the insulators on the south side of the first tower on each of the Alpha and Beta Generation Tie Lines located outside the perimeter fence of Participating TO's Lockhart Substation. Interconnection Customer will install, own, and maintain said first towers, including all insulators and associated hardware.~~

~~**5. Point of Interconnection:** The Participating TO's Kramer Substation 220kV bus. Notwithstanding the foregoing, as provided for in Appendix C, Section 3(f), following the date the Delivery Network Upgrades are constructed and placed under the operational control of the CAISO, the Point of Interconnection will become Lockhart Substation.~~

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**6. One-Line Diagram of Interconnection to Lockhart Substation**





~~7. **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~(a) **Abandoned Plant Approval:** A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Participating TO's Delivery Network Upgrades if such facilities are abandoned due to circumstances outside of the Participating TO's control.~~

~~(b) **Accounting Practice:** Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(c) **Alpha and Beta 220kV Generation Tie Lines:** The single circuit, approximate one mile, 220 kV generation tie line between each of the Mojave Solar Project's Alpha and Beta Generating Unit switchyards and the Point of Change of Ownership with 1B-1590KCMIL ACSR conductor and OPGW, constructed, owned, operated and maintained by the Interconnection Customer.~~

~~(d) **Capital Additions:** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA and Distribution Upgrades. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities and Distribution Upgrades; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities and Distribution Upgrades; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities and Distribution Upgrades, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost and the Distribution Upgrades Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost or Distribution Upgrades Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(e) **CPUC:** The California Public Utilities Commission, or its regulatory successor.~~

~~(f) **Credit Support:** Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(g) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(h) Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(i) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(j) Distribution Upgrades Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's applicable Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate and the applicable Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 15 of this Appendix A.~~

~~(k) Distribution Upgrades Completion Date: The date upon which the construction of the Participating TO's Distribution Upgrades is complete and such facilities are successfully tested and ready for service.~~

~~(l) Distribution Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(m) Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(n) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(o) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(p) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(q) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~

~~(r) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost is described in Section 10 of this Appendix A and is shown in Section 14 and 16 of this Appendix A.~~

~~(s) Lockhart Substation: Participating TO's proposed 220kV substation located approximately 5.5 miles north-east of the intersection of California State Highway 58 and Harper Lake Road in the county of San Bernardino, to which the existing Cool Water-Kramer No. 1 220kV line will be looped in forming the new Cool Water-Lockhart and the Kramer-Lockhart 220kV lines.~~

~~(t) Letter Agreement: The agreement between Participating TO and Interconnection Customer executed on May 12, 2010 under which Participating TO performed the Lockhart Substation siting study and prepared a description of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades for Interconnection Customer's Application For Certification at the California Energy Commission, designated as Service Agreement No. 81 under Participating TO's FERC Electric Tariff, Second Revised Volume No. 6.~~

~~(u) Mojave Solar Project: The Generating Facility as described in Appendix C of this LGIA.~~

~~(v) Mojave Solar Project Radial Lines Agreement: The agreement between Participating TO and Interconnection Customer, to be executed prior to the Interconnection Facilities Completion Date, pursuant to which the Mojave Solar Project is allocated a proportionate share of the existing 220kV facilities at and between the Cool Water Generating Station 220kV Switchyard and Kramer 220kV Substation that are not part of the CAISO Controlled Grid.~~

~~(w) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Participating TO's Delivery Network Upgrades, Distribution~~

~~Upgrades, Participating TO's Reliability Network Upgrades or Capital Additions which are not capitalized.~~

~~(x) Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(y) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(z) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any portion thereof which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities and Distribution Upgrades.~~

~~(aa) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(bb) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. Transmission Credits**: Pursuant to Article 11.4 of the LGIA, the Interconnection Customer elects to receive repayment of the amounts advanced for the costs of the Participating TO's Reliability Network Upgrades, which equals the Reliability Network Upgrades Payment as shown in Section 16 of this Appendix A. Subject to Section 12(d) of this Appendix A, no repayment or Congestion Revenue Rights are applicable for the Participating TO's Delivery Network Upgrades since this LGIA assumes that the Participating TO will up-front finance the Participating TO's Delivery Network Upgrades as described in Section 2 of this Appendix A. If Abandoned Plant Approval is not received, this LGIA shall be amended, unless this LGIA is otherwise terminated by the Interconnection Customer in accordance with Section 12(d)(i) of this Appendix A, and the Interconnection Customer shall make its election pursuant to Article 11.4 for the Participating TO's Delivery Network Upgrades at that time.~~

~~**9. Security Amount for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades**: Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$ 73,391,000 to cover the costs for~~

constructing, procuring and installing the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer. Such Credit Support shall be provided via a letter of credit that is automatically adjusted pursuant to the following schedule:

<b>Due Date (Following the Participating TO's receipt of Abandoned Plant Approval)</b>	<b>Total Amount of Letter of Credit</b>
Within 30 Calendar Days	\$11,274,000
October 1, 2011	\$73,391,000

If the Participating TO does not receive Abandoned Plant Approval, unless the Interconnection Customer terminates this LGIA in accordance with Section 12(d)(i) of this Appendix A, the Interconnection Customer shall provide additional Credit Support for the costs of engineering, constructing, procuring and installing the Participating TO's Delivery Network Upgrades, in an amount to be reflected in an amendment to this LGIA. The disposition of any released additional Credit Support shall be directed by the Interconnection Customer.

**10. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:

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

$$\text{Estimated tax liability} = 35\% * (\text{Interconnection Facilities Cost} + \text{Distribution Upgrades Cost}) = 35\% * \$ 55,715,000 = \$ 19,500,250$$

$$\text{Distribution Upgrades Cost} = \$ 1,068,000$$

$$\text{Interconnection Facilities Cost} = \$ 54,647,000$$

Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$ 19,500,250, pursuant to Article 5.17.3 and Appendix B of the LGIA. Such Credit Support shall be provided via a letter of credit that is automatically adjusted pursuant to the following schedule:

<b>Due Date (Following the Participating TO's receipt of Abandoned Plant Approval)</b>	<b>Total Amount of Letter of Credit</b>

<b>Plant Approval)</b>	
<b>Within 30 Calendar Days</b>	<b>\$3,945,900</b>
<b>October 1, 2011</b>	<b>\$19,500,250</b>

**11. ~~Removal of the Participating TO's Interconnection Facilities and Distribution Upgrades:~~** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. ~~On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

**12. ~~Charges:~~**

(a) ~~The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Distribution Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) Distribution Upgrades Charge; (viii) any reimbursable FERC fees pursuant to Section 13(h) of this Appendix A; (ix) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (x) termination charges pursuant to Article 2.4 of the LGIA, however to the extent that the costs of the Participating TO's Delivery Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges; (xi) disconnection costs pursuant to Article 2.5 of the LGIA; and (xii) suspension costs pursuant to Article 5.16 of the LGIA.~~

(b) ~~The Delivery Network Upgrades Cost, Distribution Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

(c) ~~If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be reviewed by the Participating TO and~~

may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.

(d) ~~\_\_\_\_\_~~ The Participating TO commits to finance the Participating TO's Delivery Network Upgrades and the associated One-Time Cost as specifically identified in Section 2b)(ii) of this Appendix A, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:

(i) ~~\_\_\_\_\_~~ Abandoned Plant Approval: If the Participating TO has not received Abandoned Plant Approval within six (6) months of applying for such approval (or such longer period as may be agreed to in writing by the Participating TO and the Interconnection Customer), the Participating TO shall amend this LGIA such that the Interconnection Customer shall be responsible for financing the costs of the Participating TO's Delivery Network Upgrades, subject to FERC's acceptance or approval. In the event the Interconnection Customer chooses for any reason not to amend this LGIA to provide for Interconnection Customer financing of the Participating TO's Delivery Network Upgrades, the Interconnection Customer shall terminate the LGIA in accordance with Article 2.3 of the LGIA;

(ii) ~~\_\_\_\_\_~~ Continued achievement of development milestones by the Interconnection Customer, as described Table 1 below:

#### **Participating TO's Transmission Development and Interconnection Customer's Generation Development Milestones and Decision Points**

The Parties acknowledge and agree that the Mojave Solar Project can interconnect following completion of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades; however, based on the Deliverability Assessment performed by the CAISO, the Mojave Solar Project will not have Full Capacity Deliverability Status, as such term is defined in the CAISO Tariff, until such time as the Participating TO's Delivery Network Upgrades are constructed and placed in service, or as otherwise determined by the CAISO. The Participating TO estimates that the time required to license, construct, test and place the Participating TO's Delivery Network Upgrades in service is approximately seven (7) years following Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Appendix B of this LGIA, assuming compliance with the milestones in this Section 12(d). The Participating TO has agreed to up-front finance the Participating TO's Delivery Network Upgrades under the terms specified in this Section 12(d) and to target the seven (7) year in-service date for the Participating TO's Delivery Network Upgrades subject to the Interconnection Customer also moving forward on its schedule and achieving the milestones identified in Table 1 below.

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO applies for Abandoned Plant Approval</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures final Site Control for the Generating Facility</li> <li>Interconnection Customer secures all permits, licenses, and property rights required for the construction of the Generating Facility and Interconnection Customer's Interconnection Facilities</li> </ul>
<p>DECISION POINT #1: Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	
<b>Group 2 Milestones and Decision Point #2</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO receives Abandoned Plant Approval</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer has provided Credit Support in accordance with Section 9 of Appendix A</li> </ul>

~~DECISION POINT #2: Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

~~**Group 3 Milestones and Decision Point #3**~~

~~**Participating TO Milestone**~~

- ~~• \_\_\_\_\_ Participating TO commences final design and engineering for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.~~
- ~~• \_\_\_\_\_ Participating TO secures all required permits, licenses, and property rights for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.~~
- ~~• \_\_\_\_\_ Participating TO completes final design and engineering for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.~~
- ~~• \_\_\_\_\_ Participating TO commences the work necessary to support the~~

~~**Interconnection Customer Milestone**~~

- ~~• \_\_\_\_\_ Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor~~
- ~~• \_\_\_\_\_ Interconnection Customer secures 100% of financing to construct the Generating Facility and the Interconnection Customer's Interconnection Facilities~~

~~GPCN application at the CPUC for the Participating TO's Delivery Network Upgrades~~

- ~~\_\_\_\_\_ Participating TO commences final design and engineering for the Participating TO's Delivery Network Upgrades.~~

~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**~~Group 4 Milestones and Decision Point #4~~**

**~~Participating TO Milestone~~**

- ~~\_\_\_\_\_ Participating TO commences construction of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades~~

**~~Interconnection Customer Milestone~~**

- ~~\_\_\_\_\_ Interconnection Customer commences construction of the Generating Facility and the Interconnection Customer's Interconnection Facilities~~

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within thirty (30) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**~~Group 5 Milestones and Decision Point #5~~**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Reliability Network Upgrades, enabling Commercial Operation of the Generating Facility</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer achieves Initial Synchronization Date</li> <li>Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of the entire Generating Facility</li> </ul>
<p>DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	

<b>Group 6 Milestones</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO submits the CPCN application at the CPUC for the Participating TO's Delivery Network Upgrades, obtains required permits and approvals and constructs Participating TO's Delivery Network Upgrades</li> </ul>	

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- The Participating TO has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance the Participating TO's Delivery Network Upgrades.~~

~~If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:~~

- ~~1) \_\_\_\_\_ Confirm its commitment to finance the Participating TO's Delivery Network Upgrades (but have no obligation to do so).~~
- ~~2) \_\_\_\_\_ Discontinue its commitment to finance the Participating TO's Delivery Network Upgrades, in which case the Participating TO's Delivery Network Upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.~~
- ~~3) \_\_\_\_\_ Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement.~~
- ~~4) \_\_\_\_\_ Terminate the LGIA, subject to the termination provisions in the LGIA and Section 12(f) of Appendix A.\*~~
- ~~5) \_\_\_\_\_ Other actions mutually agreeable to both parties.~~

~~The Participating TO will provide written notification to the Interconnection Customer of the option selected.~~

~~\*The termination provisions provided above (option 4) are in addition to, and not a~~

~~replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

*Table 2B—The Interconnection Customer has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:~~

~~1) \_\_\_\_\_ Continue to develop its Generating Facility (but have no obligation to do so).~~

~~2) \_\_\_\_\_ Adjust its development milestones in Table 1 above, day-for-day, as appropriate, to the Participating TO's new timetable(s).~~

~~3) \_\_\_\_\_ Terminate this LGIA, subject to termination provisions in the LGIA and Section 12(f) of Appendix A.\*~~

~~4) \_\_\_\_\_ Other actions mutually agreeable to both parties.~~

~~The Interconnection Customer will provide written notification to the Participating TO of the option selected.~~

~~\*The termination provisions provided above (option 3) are in addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~(e) \_\_\_\_\_ The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 12(d) above, such dispute shall be addressed pursuant to Article 27 of the LGIA.~~

~~(f) \_\_\_\_\_ If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 12(d) above (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above) by the completion of the corresponding Participating TO milestone, this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each milestone in Table 1 of Section 12(d) shall be extended for each day that Force Majeure delays a Party from achieving such milestone.~~

~~Notwithstanding anything to the contrary in Table 2A under Section 12(d), the Participating TO shall not file to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 12(d) if the Parties reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Participating TO's Delivery Network Upgrades within sixty (60) Calendar Days after the Participating TO's notification of the Participating TO exercising options 2 or 4 of Table 2A under Section 12(d) of Appendix A.~~

~~(g) \_\_\_\_\_ Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~

~~(h) \_\_\_\_\_ The Participating TO is under no obligation to finance the cost of any material modifications to the Participating TO's Delivery Network Upgrades described in this Appendix A to the LGIA. The Participating TO's consent to financing the cost of any material modification to the Participating TO's Delivery Network Upgrades is at its sole discretion. In the event that material modifications to the Participating TO's Delivery Network Upgrades result in an increase in the costs of the Participating TO's Delivery Network Upgrades, then the Parties agree to enter into good faith negotiations to amend this LGIA, as necessary, in order to reflect the financing responsibilities for the increased costs associated with the material modification to the Participating TO's Delivery Network Upgrades.~~

~~(i) \_\_\_\_\_ The Participating TO shall use Reasonable Efforts to file with FERC for the Abandoned Plant Approval within sixty (60) Calendar Days of execution and filing of this LGIA.~~

~~(j) Upon the Participating TO's receipt of Abandoned Plant Approval, subject to the terms and conditions of this LGIA, the Participating TO shall commence design, engineering, permitting, procurement and construction of, the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, provided that the Interconnection Customer has given its authorization to start work under this LGIA and that Credit Support for the authorized work has been provided.~~

### ~~13. Supplemental Billing and Payment Provisions:~~

~~(a) Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Distribution Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(b) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Section 13.(b)(i) and 13.(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(c) Commencing on or following the Distribution Upgrades Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge payments shall initially be based on the estimated Distribution Upgrades Cost for the applicable Distribution Upgrades, as specified in~~

~~Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Section 13.(c)(i) and 13.(c)(ii). The Distribution Upgrades Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) \_\_\_\_\_ If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) \_\_\_\_\_ If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(d) \_\_\_\_\_ In the event that any portion of Participating TO's Interconnection Facilities or Distribution Upgrades is not complete but, at the request of Interconnection Customer, Participating TO commences interconnection service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge and Distribution Upgrades Charge commencing on the date that such service commences.~~

~~(e) \_\_\_\_\_ In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) \_\_\_\_\_ For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) Except as provided in Section 7(d) above, if certain Participating TO's Interconnection Facilities and Distribution Upgrades are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost or the Distribution Upgrades Cost, the Interconnection Facilities Charge and Distribution Upgrades Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost and Distribution Upgrades Cost.~~

~~(iii) Except as provided in Section 7(d) above, if Capital Additions result in an increase in the Interconnection Facilities Cost or Distribution Upgrades Cost, then the Interconnection Facilities Charge and Distribution Upgrades Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(f) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(g) If, in accordance with the removal of the Participating TO's Interconnection Facilities and Distribution Upgrades specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection~~

~~Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(h) \_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

~~(i) \_\_\_\_\_ In accordance with the Letter Agreement, this LGIA will supersede the Letter Agreement following the Effective Date. Interconnection Customer's deposits made pursuant to the Letter Agreement will be credited to the amounts due under this LGIA.~~

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**14. ~~Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, Participating TO's Delivery Network Upgrades and Distribution Upgrades Cost Summary:~~**

~~(a) Estimated Cost:~~

<del>Element</del>	<del>Interconnection Facilities Cost</del>	<del>Reliability Network Upgrades Cost</del>	<del>Delivery Network Upgrades Cost(*)</del>	<del>Distribution Upgrades Cost</del>	<del>One-Time Cost</del>	<del>Total</del>	<del>ITCC (estimated tax liability)</del>
<del>Transmission: Cool Water-Kramer No.1 T/L—Loop-in to Lockhart Sub</del>	<del>\$ 3,304,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 3,304,000</del>	<del>\$ 1,156,400</del>
<del>Transmission: Alpha and Beta 220kV GenTie Lines—Rack spans into Lockhart Sub</del>	<del>\$ 334,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 334,000</del>	<del>\$ 116,900</del>
<del>Substation: Lockhart Install new 220kV substation, install RTU; PSC; install temporary power service for construction</del>	<del>\$ 14,936,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 3,808,000</del>	<del>\$ 18,744,000</del>	<del>\$ 5,227,600</del>
<del>Substation: Cool Water G.S.—Replace 4-220kV CB; upgrade line</del>	<del>\$ 4,000,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 182,000</del>	<del>\$ 4,182,000</del>	<del>\$ 1,400,000</del>

protection; replace RTU; PSC							
Substation: Kramer — Replace 4-220kV CB upgrade line protection; install SPS relays; replace RTU; PSC	\$ 3,301,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,301,000	\$ 1,155,350
Substation: Kramer — Replace 1-115kV CB upgrade line protection; install SPS relays	\$ 0	\$ 1,140,000	\$ 0	\$ 0	\$ 0	\$ 1,140,000	\$ 0
Substation: Lugo — Install CTs, SPS relays; replace RTU; PSC	\$ 0	\$ 2,272,000	\$ 0	\$ 0	\$ 0	\$ 2,272,000	\$ 0
Substation: Victor — Install SPS relays; replace RTU; PSC	\$ 0	\$ 766,000	\$ 0	\$ 0	\$ 0	\$ 766,000	\$ 0
Substation: Tortilla — Construct telecommunications room	\$ 484,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 484,000	\$ 169,400
Distribution: Lockhart Sub — Distribution circuit for	\$ 0	\$ 0	\$ 0	\$ 920,000	\$ 0	\$ 920,000	\$ 322,000

station light & power — relocation/reconduct or work (Not Subject to Distribution Upgrade Charge)							
Distribution: Lockhart Sub— Distribution circuit for station light & power —new riser pole and underground conduit/cable (Subject to Distribution Upgrade Charge)	\$0	\$0	\$0	\$148,000	\$0	\$148,000	\$51,800
Telecommunications: Tortilla Sub—Install required telecom equipment	\$1,703,000	\$0	\$0	\$0	\$0	\$1,703,000	\$596,050
Telecommunications: Alpha & Beta Sub— Install required telecom equipment	\$1,463,000	\$0	\$0	\$0	\$0	\$1,463,000	\$512,050
Telecommunications: Cool Water Sub— Install required telecomm equipment	\$1,134,000	\$0	\$0	\$0	\$0	\$1,134,000	\$396,900
Telecommunications: Kramer Sub—Install required telecomm	\$475,000	\$665,000	\$0	\$0	\$0	\$1,140,000	\$166,250

equipment							
Telecommunications: Lugo Sub—Install required telecomm equipment	\$-0	\$ 912,000	\$-0	\$-0	\$-0	\$ 912,000	\$-0
Telecommunications: Lockhart Sub— Install required telecomm equipment	\$ 2,064,000	\$-0	\$-0	\$-0	\$-0	\$ 2,064,000	\$ 722,400
Telecommunications: Victor Sub—Install required telecomm equipment	\$-0	\$ 674,000	\$-0	\$-0	\$-0	\$ 674,000	\$-0
Telecommunications: Roadway Sub— Install required telecomm equipment	\$-0	\$46,000	\$-0	\$-0	\$-0	\$46,000	\$-0
Telecommunications: Install new ADSS fiber optic Cable	\$ 6,892,000	\$ 4,804,000	\$-0	\$-0	\$-0	\$ 11,696,000	\$ 2,412,200
Power System Control (PSC): Lockhart Sub—SPS arming program and system test	\$ 166,000	\$-0	\$-0	\$-0	\$-0	\$ 166,000	\$ 58,100
Power System Control:—Alpha and Beta Generating Facilities—Install RTUs	\$ 187,000	\$-0	\$-0	\$-0	\$-0	\$ 187,000	\$ 65,450

Corporate Real Properties (initial interconnection)	\$ 3,531,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,531,000	\$ 1,235,850
Environmental Health and Safety (initial interconnection only)	\$ 9,389,000	\$ 2,407,000	\$ 0	\$ 0	\$ 0	\$ 11,796,000	\$ 3,286,150
Licensing (initial interconnection only)	\$ 1,284,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,284,000	\$ 449,400
Transmission: Construct new Cool Water-Lugo 220kV Transmission Line	\$ 0	\$ 0	\$ 329,436,000	\$ 0	\$ 0	\$ 329,436,000	\$ 0
Substation: Cool Water— Install 220kV line position to terminate new Cool Water-Lugo T/L; install line protection and SPS relays	\$ 0	\$ 0	\$ 4,395,000	\$ 0	\$ 0	\$ 4,395,000	\$ 0
Substation: Lugo— Install 220kV line position for the new Cool Water-Lugo T/L; install line protection and SPS relays	\$ 0	\$ 0	\$ 3,203,000	\$ 0	\$ 0	\$ 3,203,000	\$ 0
Corporate Real Properties— easements for new Cool Water-Lugo T/L	\$ 0	\$ 0	\$ 6,123,000	\$ 0	\$ 0	\$ 6,123,000	\$ 0
Environmental	\$ 0	\$ 0	\$ 7,171,000	\$ 0	\$ 0	\$ 7,171,000	\$ 0

Health and Safety-- new Cool Water- Lugo T/L environmental							
Licensing--new Cool Water-Lugo T/L	\$0	\$0	\$1,847,000	\$0	\$0	\$1,847,000	\$0
Total	\$54,647,000	\$13,686,000	\$352,175,000	\$1,068,000	\$3,990,000	\$425,566,000	\$19,500,250

The costs in this Section 14 are shown in nominal dollars.

(\* ) The Delivery Network Upgrades Cost is provided for information only at this time since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Section 12(d) of this Appendix A.

(b) \_\_\_\_\_ Actual Cost:

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

Element	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	Distribution Upgrades Cost	One-Time Cost	Total	ITCC/estimated tax liability

Total							

**15. ~~Interconnection Facilities Charge and Distribution Upgrades Charge:~~**

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

		Estimated		Actual	
<del>Interconnection Facilities Charge Effective Date</del>	<del>Customer-Financed Monthly Rate</del>	<del>Estimated Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge Based on Estimated Cost</del>	<del>Actual Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge based on actual cost</del>
<del>As of the Interconnection Facilities Completion Date</del>	<del>0.38%</del>	<del>\$ 54,647,000</del>	<del>\$ 207,658.60</del>	<del>{to be inserted after true-up}</del>	<del>{to be inserted after true-up}</del>

~~(b)  $\text{Distribution Upgrades Charge} = \text{Customer-Financed Monthly Rate} \times (\text{applicable Distribution Upgrades Cost})$~~

		Estimated		Actual	
<del>Distribution Upgrades Charge Effective Date</del>	<del>Customer-Financed Monthly Rate</del>	<del>Estimated Distribution Upgrades Cost for applicable Distribution Upgrades</del>	<del>Distribution Upgrades Charge Based on Estimated Cost</del>	<del>Actual Distribution Upgrades Cost for applicable Distribution Upgrades</del>	<del>Distribution Upgrades Charge based on actual cost</del>
<del>As of the Distribution Upgrades</del>	<del>0.38%</del>	<del>\$ 148,000</del>	<del>\$ 562.40</del>	<del>{to be inserted after true-up}</del>	<del>{to be inserted after true-up}</del>

Completion Date					
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**16. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades:**

An estimate of the monthly incurred costs is as shown below. [Note: This estimate assumes that no work commences until the Participating TO has received Abandoned Plant Approval, the Interconnection Customer has provided written notice to the Participating TO to proceed and has provided the required security, and work starts by February 1, 2011 to achieve a January 31, 2013 In-Service Date for the Mojave Solar Project.]

Payment Period	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Distribution Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Project Payment	Payment Due-Date	ITCC*
1	\$ 78,000	\$ 12,000	\$ 0	\$ 0	\$ 12,000	\$ 102,000	3/1/11	\$ 27,300
2	722,000	133,000	5,000	0	13,000	873,000	4/1/11	254,450
3	1,356,000	269,000	8,000	0	26,000	1,659,000	5/1/11	477,400
4	1,458,000	299,000	13,000	0	36,000	1,806,000	6/1/11	514,850
5	1,574,000	333,000	16,000	0	46,000	1,969,000	7/1/11	556,500
6	1,769,000	368,000	20,000	0	57,000	2,214,000	8/1/11	626,150
7	2,157,000	404,000	23,000	0	67,000	2,651,000	9/1/11	763,000
8	2,270,000	436,000	28,000	0	78,000	2,812,000	10/1/11	804,300
9	2,416,000	478,000	34,000	0	89,000	3,017,000	11/1/11	857,500
10	2,664,000	554,000	49,000	0	107,000	3,374,000	12/1/11	949,550
11	2,832,000	659,000	117,000	0	140,000	3,748,000	1/1/12	1,032,150
12	4,122,000	1,248,000	143,000	0	291,000	5,804,000	2/1/12	1,492,750
13	5,075,000	1,451,000	136,000	0	451,000	7,113,000	3/1/12	1,823,850
14	4,612,000	1,318,000	62,000	0	463,000	6,455,000	4/1/12	1,635,900
15	3,542,000	872,000	57,000	0	409,000	4,880,000	5/1/12	1,259,650
16	2,348,000	646,000	66,000	0	193,000	3,253,000	6/1/12	844,900
17	2,494,000	713,000	79,000	0	185,000	3,471,000	7/1/12	900,550

18	2,801,000	804,000	<del>81,000</del>	0	<del>214,000</del>	<del>3,900,000</del>	8/1/12	<del>1,008,700</del>
19	3,068,000	852,000	<del>74,000</del>	0	<del>250,000</del>	<del>4,244,000</del>	9/1/12	<del>1,099,700</del>
20	2,919,000	819,000	<del>49,000</del>	0	<del>263,000</del>	<del>4,050,000</del>	10/1/12	<del>1,038,800</del>
21	2,136,000	580,000	<del>8,000</del>	0	<del>252,000</del>	<del>2,976,000</del>	11/1/12	<del>750,400</del>
22	1,390,000	291,000	<del>0</del>	0	<del>211,000</del>	<del>1,892,000</del>	12/1/12	<del>486,500</del>
23	713,000	125,000	<del>0</del>	0	<del>118,000</del>	<del>956,000</del>	1/1/13	<del>249,550</del>
24	131,000	22,000	<del>0</del>	0	<del>19,000</del>	<del>172,000</del>	2/1/13	<del>45,850</del>
<b>Total</b>	<del>\$ 54,647,000</del>	<del>\$ 13,686,000</del>	<del>\$ 1,068,000</del>	<b>\$0</b>	<b>\$ 3,990,000</b>	<del>\$ 73,391,000</del>		<del>\$ 19,500,250</del>

Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Section 12(d) of this Appendix A.

Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$ 1,068,000

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$ 58,637,000

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$ 13,686,000

Transmission credits pursuant to Section 8 of this Appendix A = Reliability Network Upgrades Payment + Delivery Network Upgrades Payment = \$ 13,686,000

\*ITCC will be provided by the Interconnection Customer in accordance with Appendix A, Section 10.

**17. ~~Other Potential Facilities:~~**

~~The Interconnection Customer understands and acknowledges that the Interconnection of the Mojave Solar Project is dependent upon certain network and/or distribution upgrades which are currently the cost responsibility of projects ahead of the Mojave Solar Project in the interconnection application queue. In the event (i) a project in the queue ahead of the Mojave Solar Project is withdrawn from the queue, or (ii) it is determined by the Participating TO or the CAISO that some or all of the network and/or distribution upgrades currently assigned to earlier-queued projects are no longer required by such projects, the Interconnection Customer may be responsible for an amount up to the maximum cost exposure of the network and/or distribution upgrades identified in this Appendix A, Section 17. Such additional other potential facilities, network and/or distribution upgrades are taken from the Interconnection Facilities Study report.~~

~~Furthermore, the Interconnection Customer may also be responsible for the cost of any additional facilities or modifications to the Participating TO's electric system required to interconnect the Mojave Solar Project as a result of the termination or amendment of another project's interconnection agreement. The Interconnection Customer's revised cost responsibility for the network and/or distribution upgrades, and for any such additional facilities or modifications, if any, would be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval. While the Interconnection Customer is currently responsible for the Network and Distribution Upgrades identified in Sections 2 and 3 of this Appendix A to the LGIA, the Interconnection Customer may be responsible for all or a portion of the following other potential facilities, network and/or distribution upgrades, under the conditions described above.~~

<b>Element</b>	<b>Maximum Cost Exposure-- Other Potential Facilities Cost(*)</b>
<p><del><b>Mira Loma Substation:</b> Upgrade six 50kA 500kV circuit breakers to 63kA rating by replacing the circuit breaker nameplate and obtaining manufacturer certification. Replace twelve 63kA 220kV circuit breakers with new 80kA rated units.</del></p> <p><del>Following the Effective Date of this LGIA, the Participating TO will further evaluate the feasibility of replacing the twelve 63kA 220kV circuit breakers with new 80kA units at Mira Loma Substation. If the Participating TO determines that an alternative mitigation is</del></p>	<p><del>\$ 11,091,000</del></p>

<del>required, the Participating TO will inform the CAISO and the Interconnection Customer and amend this LGIA accordingly to reflect the alternative scope and estimated cost.</del>	
<del><b>Victor Substation:</b> Replace two 20kA 115kV circuit breakers in Positions 2 and 3 with new 40kA rated circuit breakers.</del>	<del>\$ 864,000</del>
<del><b>Vincent Substation:</b> Replace twenty 63kA 220kV circuit breakers with new 80kA rated units.</del>	<del>\$ 16,175,000</del>
<del>Following the Effective Date of this LGIA, the Participating TO will further evaluate the feasibility of replacing the twenty 63kA 220kV circuit breakers with new 80kA units at Vincent Substation. If the Participating TO determines that an alternative mitigation is required, the Participating TO will inform the CAISO and the Interconnection Customer and amend this LGIA accordingly to reflect the alternative scope and estimated cost.</del>	
<del><b>Tortilla-Cool Water:</b> Install approximately eleven miles of fiber optic cable between Tortilla Substation and Cool Water Substation and any associated terminal equipment to support line protection and SPS. These facilities would be considered non-CAISO Interconnection Facilities (non-refundable and subject to ITCC)</del>	<del>\$ 1,860,000</del>
<del><b>Lugo Substation:</b> Expand the 220kV switchrack and construct a new relay building.</del>	<del>\$ 7,269,000</del>
<del>As a result of the recent withdrawal of the project having CAISO Queue # 89, a restudy will be required to determine if these upgrades at Lugo Substation will be required in addition to the Participating TO's Delivery Network Upgrades identified in Section 2b)(ii) of this Appendix A in order for the Mojave Solar Project to have Full Capacity Delivery Status.</del>	
<del><b>TOTAL</b></del>	<del><b>\$ 37,259,000</b></del>

~~(\*) The costs in this Section 17 are shown in nominal dollars.~~

**Appendix B  
To LGIA**

**Milestones**

**1. ~~\_\_\_\_\_ The Interconnection Customer's Selected Option:~~** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has ~~selected the Standard Option.~~

**2. ~~\_\_\_\_\_ Milestone Dates:~~**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
<del>(a)</del>	<del>Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>
<del>(b)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval</del>
<del>(c)</del>	<del>Submittal of security for the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval</del>
<del>(d)</del>	<del>Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval</del>

<del>(e)</del>	<del>Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval</del>
<del>(f)</del>	<del>Completion of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades</del>	<del>Participating TO</del>	<del>Within twenty four (24) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to 2(d) of this Appendix B (estimated date is February 1, 2013)*</del>
<del>(g)</del>	<del>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Mojave Solar Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date</del>
<del>(h)</del>	<del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(i)</del>	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(j)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's</del>

		and CAISO	submission of initial specifications
(k)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Mojave Solar Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date.
(l)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(m)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(n)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
(o)	In-service date of the Mojave Solar Project	Interconnection Customer	Within twenty four (24) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is January 31, 2013)
(p)	Initial Synchronization Date	Interconnection Customer	Within thirty one (31) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection

			Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is September 1, 2013)
(q)	Trial Operation Begins	Interconnection Customer	Within thirty one (31) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is September 1, 2013)
(r)	Notification of operating communications and notifications information pursuant to Appendix F, of the LGIA	CAISO, Participating TO and Interconnection Customer	Within ten (10) Calendar Days prior to Initial Synchronization Date
(s)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(t)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Mojave Solar Project in accordance with Article 6.1 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date
(u)	Provide written approval to the Interconnection Customer for the operation of the Mojave Solar Project in accordance with		At least fifteen (15) Calendar Days prior to

	<del>Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>the Initial Synchronization Date</del>
<del>(v)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>Within thirty four (34) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is December 1, 2013)</del>
<del>(w)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>
<del>(x)</del>	<del>Completion of the Participating TO's Delivery Network Upgrades</del>	<del>Participating TO</del>	<del>Within seven (7) years following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is February 1, 2018)*</del>

~~\* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service date beyond that specified.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence~~

~~the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

## **Appendix C To LGIA**

### **Interconnection Details**

~~1. \_\_\_\_\_ **Generating Facility:** All equipment and facilities comprising the Mojave Solar Project generating facility located approximately 5.5 miles north-east of the intersection of California State Highway 58 and Harper Lake Road in the county of San Bernardino, as disclosed by the Interconnection Customer in its Interconnection Request, which consists of the Alpha solar field and generating unit including one (1) solar concentrated Siemens steam turbine rated at 167 MVA (“Alpha Generating Unit”), one (1) 220/13.8kV step-up transformer, meters and metering equipment and appurtenant equipment; and the Beta solar field and generating unit including one (1) solar concentrated Siemens steam turbine rated at 167 MVA (“Beta Generating Unit”), one (1) 220/13.8kV step-up transformer, meters and metering equipment and appurtenant equipment (together, the “Mojave Solar Project” or the “Generating Facility”). The CAISO will issue one resource ID for the Generating Facility. The Generating Facility is limited to a maximum net output of 250 MW to the Lockhart Substation.~~

### ~~2. \_\_\_\_\_ **Interconnection Customer**~~ ~~**Operational Requirements.**~~

~~(a) \_\_\_\_\_ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Mojave Solar Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/Western Electricity Coordinating Council reliability standards and Applicable Reliability Standards.~~

~~(b) \_\_\_\_\_ The Mojave Solar Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~

### ~~3. \_\_\_\_\_ **Interconnection Principles:**~~

~~(a) \_\_\_\_\_ This LGIA provides for interconnection of a total net capacity of 250 MW, resulting from the interconnection of the Mojave Solar Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new interconnection request in accordance with the terms and conditions of the CAISO Tariff.~~

~~(b) \_\_\_\_\_ The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Mojave Solar Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures.~~

~~(c) \_\_\_\_\_ In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) \_\_\_\_\_ Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Mojave Solar Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Mojave Solar Project or the Interconnection Customer's Interconnection Facilities.~~

~~(e) \_\_\_\_\_ The Interconnection Customer shall complete and receive approval for all environmental studies necessary for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA. Interconnection Customer shall include such facilities in all such environmental impact studies, where applicable. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA. If the aforementioned environmental studies and approvals provided by the Interconnection Customer are not sufficient for the Participating TO to obtain the regulatory approvals required for the construction, operation, and maintenance of its facilities, then the Participating TO will prepare, or cause to be prepared, the required supplemental surveys, studies, reports and documentation, and the Interconnection Customer shall pay the Participating TO for such work.~~

~~(f) \_\_\_\_\_ Following the date the Participating TO's Delivery Network Upgrades are constructed and placed under the operational control of the CAISO, it is expected that the 220kV facilities under the Mojave Solar Project Radial Lines Agreement would be re-classified as part of the CAISO Controlled Grid and, consequently, the Point of Interconnection for the Mojave Solar Project under this LGIA~~

~~would then become Lockhart Substation. Also, as a result of such change, it is expected that a portion of the Participating TO's Interconnection Facilities at Lockhart Substation may be re-classified as Participating TO's Reliability Network Upgrades. Any such change to the Point of Interconnection or the re-classification of Participating TO's Interconnection Facilities to Participating TO's Reliability Network Upgrades would be documented in an amendment to this LGIA and would be subject to FERC acceptance or approval. In the event such re-classification occurs within fifteen (15) years of the Effective Date of this LGIA, then Participating TO will refund to the Interconnection Customer the estimated net book value of those Participating TO's Interconnection Facilities which are re-classified as Participating TO's Reliability Network Upgrades. The refund shall exclude interest between the time the Participating TO received payment for the re-classified facilities and the time FERC accepts or approves the amended LGIA re-classifying such facilities. Any such refund will be in the form of a single lump sum payment which will be due to the Interconnection Customer within ninety (90) Calendar Days of FERC's acceptance or approval of the amended LGIA.~~

~~(g) \_\_\_\_\_ The Participating TO will use Reasonable Efforts to provide a monthly progress report to the Interconnection Customer by the 15<sup>th</sup> of each month commencing in the month following Interconnection Customer's submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with Appendix B of this LGIA and continuing through the completion of construction of such facilities. The monthly progress report shall include a status on the Participating TO's Interconnection Facilities, Distribution Upgrades, and the Participating TO's Reliability Network Upgrades identified in Appendix A Section 14, including schedule and costs recorded through the previous month for each element. The progress report shall identify any anticipated changes to the LGIA scope, schedule and costs. The Parties acknowledge that changes to the LGIA scope and cost may be subject to an amendment of the LGIA.~~

#### ~~4. \_\_\_\_\_ **Interconnection Operations:**~~

~~(a) \_\_\_\_\_ The Interconnection Customer shall cause the Mojave Solar Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO or the CAISO, pursuant to the LGIA, for loss of generation output when (i) the Mojave Solar Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Interconnection Studies or this LGIA.~~

~~(b) \_\_\_\_\_ The Interconnection Customer shall cause the Mojave Solar Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~

~~(c) \_\_\_\_\_ Following outages of the Interconnection Facilities or the Mojave Solar Project, the Interconnection Customer shall not energize the Mojave Solar Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(d) \_\_\_\_\_ The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~(e) \_\_\_\_\_ Interconnection Customer has elected for the Mojave Solar Project to have Full Capacity Deliverability Status as such term is defined in the CAISO Tariff. Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, or as otherwise determined by the CAISO, the Mojave Solar Project will have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff.~~

~~(f) \_\_\_\_\_ Operational studies will be performed by the Participating TO on an as needed basis and at the Interconnection Customer's expense prior to the Mojave Solar Project's Initial Synchronization Date to confirm if any upgrades or replacements identified in Section 17 of Appendix A are required, and, if so, must be placed in service prior to allowing the interconnection and operation of the Mojave Solar Project. In the event that it is determined by the Participating TO that any required upgrades or replacements identified in Section 17 of Appendix A cannot be completed by the Mojave Solar Project Initial Synchronization Date, such date will need to be delayed until the necessary upgrades or replacements have been made. If upgrades or replacements identified in Section 17 of Appendix A are required to be advanced in order to accommodate the Mojave Solar Project Initial Synchronization Date, such advancement shall be addressed in accordance with Section 12.2.2 of the Standard Large Generator Interconnection Procedures.~~

~~**5. \_\_\_\_\_ Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Mojave Solar Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

## **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](http://www.caiso.com/pubinfo/info_security/index.html).~~

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**Appendix E  
To LGIA**

**Commercial Operation Date**

This Appendix E is a part of the LGIA.

**[Date]**

~~Mr. Stephen Ritty  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

Re: \_\_\_\_\_ Abengoa Solar Inc. – Mojave Solar Project  
Electric Generating Unit

Dear Messrs. Ritty, Kott, and Law:

On **[Date] Abengoa Solar Inc.** has completed Trial Operation of Mojave Solar Project Unit No. \_\_\_\_\_. This letter confirms that Abengoa Solar Inc. commenced Commercial Operation of Mojave Solar Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

cc: Linda Wright

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Mr. Scott Frier, COO 13911 Park Ave., Suite 206 Victorville, CA 92392

**2. Operating Communications and Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information within ten (10) Calendar Days prior to the Mojave Solar Project's Initial Synchronization Date:

CAISO	Participating TO	Interconnection Customer
CAISO Real Time Desk/24 Hour Telephone:	Grid Control Center/24 Hour Telephone:	Operator Name and/or Title: Control Room Operator 24 Hour Telephone: (760) 962-9200
Alternate Phone:		Operation Center Fax. No.: E-mail:

**3. Operational Matters, Force Majeure, and Outage Notices:**

CAISO	Participating TO	Interconnection Customer
Name:	Name/Title:	Mr. Scott Frier, COO:

Phone:	Phone:	Phone: <del>(760) 964-3471</del>

4. \_\_\_\_\_ For Emergencies:

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Mr. Scott Frier, COO: Phone: (760) 964-3471

5. \_\_\_\_\_ Billing and Payments:

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Mr. Scott Frier, COO 13911 Park Ave., Suite 206 Victorville, CA 92392

6. \_\_\_\_\_ Alternate Forms of Delivery of Notices  
(telephone, facsimile or e-mail):

CAISO	Participating TO	Interconnection Customer
<u>lwright@caiso.com</u>	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	Mr. Scott Frier, COO Phone: (760) 962-9200 Fax: (760) 962-9292 e-mail: <u>scott.frier@solar.abengoa.com</u>

~~Execution of the Reliability Management System (“RMS”) Agreement below will be a condition subsequent to execution of this LGIA, and will be required only if the FERC does not approve of the CAISO’s proposal to eliminate the obligation of the Interconnection Customer to execute the RMS Agreement as set forth in Article 9.1 of this LGIA.~~

~~Appendix G  
To LGIA~~

~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
ABENGOA SOLAR INC.~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the “Transmission Operator”) and Abengoa Solar Inc. (the “Generator”).~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~1. \_\_\_\_\_ PURPOSE OF AGREEMENT~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator’s commitment to comply with certain reliability standards.~~

## ~~2. DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

~~**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.~~

~~**FERC** means the Federal Energy Regulatory Commission or a successor agency.~~

~~**Member** means any party to the WSCC Agreement.~~

~~**Party** means either the Generator or the Transmission Operator and~~

~~**Parties** means both of the Generator and the Transmission Operator.~~

~~**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.~~

~~**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.~~

~~**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.~~

~~**WSCC** means the Western Systems Coordinating Council or a successor entity.~~

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~WSCC Staff~~ means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### ~~3. TERM AND TERMINATION~~

~~3.1 Term.~~ This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].

[Note: if the interconnection agreement is not FERC jurisdictional, replace bracketed language with: [on the later of: (a) the date of execution; or (b) the effective date of the WSCC RMS Agreement.]]

~~3.2 Notice of Termination of WSCC RMS Agreement.~~ The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.

~~3.3 Termination by the Generator.~~ The Generator may terminate this Agreement as follows:

(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;

(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or

(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.

~~3.4 Termination by the Transmission Operator.~~ The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.

~~3.5 Mutual Agreement.~~ This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.

#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~5.2 Publication.~~ The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.

~~5.3 Reserved Rights.~~ Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.

## ~~6. THIRD PARTIES~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~8. NOTICES~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator: \_\_\_\_\_  
Roni L. Reese  
Sr. Contracts Analyst  
Market and Infrastructure Development  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630  
Phone: (916) 608-7027  
Fax: (916) 608-7292~~

~~Generator: \_\_\_\_\_  
Mr. Scott Frier, COO  
Abengoa Solar Inc.  
13911 Park Ave., Suite 206  
Victorville, CA 92392  
Phone: (760) 962-9200  
Fax: (760) 962-9292~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## ~~9. \_\_\_\_\_~~ **APPLICABILITY**

~~This Agreement (including all appendices hereto and, by reference, the WSCC Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## ~~10. \_\_\_\_\_~~ **AMENDMENT**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

## ~~11. \_\_\_\_\_~~ **INTERPRETATION**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References~~

~~to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

~~12. PROHIBITION ON ASSIGNMENT~~

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

~~13. SEVERABILITY~~

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

~~14. COUNTERPARTS~~

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

~~**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.~~

---

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Abengoa Solar Inc.**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

---

## **Appendix H To LGIA**

**(This Appendix is not applicable to the Mojave Solar Project)**

### **~~INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY~~**

~~Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.~~

#### **~~A. Technical Requirements Applicable to Asynchronous Generating Facilities~~**

##### **~~i. Low Voltage Ride-Through (LVRT) Capability~~**

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

~~1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

~~2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

~~3. \_\_\_\_\_ Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~

~~4. \_\_\_\_\_ The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~

~~5. \_\_\_\_\_ The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the the high-voltage transmission system.~~

~~6. \_\_\_\_\_ Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~7. \_\_\_\_\_ Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~

~~8. \_\_\_\_\_ The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of July 3, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

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

~~An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this 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 Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.~~

#### ~~**iv. Supervisory Control and Data Acquisition (SCADA) and Automated Dispatch System (ADS) Capability**~~

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

#### ~~**v. Power System Stabilizers (PSS)**~~

~~Power System Stabilizers are not required for Asynchronous Generating Facilities.~~

---

**Attachment D**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 75 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Alta Wind VI, LLC, and Alta Interconnection Management, LLC, SCE, and ISO, designated as SCE Service Agreement No. 75

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment E - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1631**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Alta Wind VI, LLC, and Alta Interconnection Management, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 75.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 75, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment F - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1631**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, Alta Wind VI, LLC, and Alta Interconnection Management, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 75.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 75, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

California Independent System Operator  
Non-Conforming Service Agreements  
Tariff Record Title: Service Agreement No. 1750

---

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

**~~AMONG~~**

**~~ABENGOA SOLAR INC.~~**

**~~AND~~**

**~~SOUTHERN CALIFORNIA EDISON COMPANY~~**

**~~AND~~**

**~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~**

**~~(Mojave Solar Project)~~**

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Tariff Record Proposed Effective Date: 01/30/2014

Version Number: 0,0,0

Option Code: A

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~ABENGOA SOLAR INC.~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** (“LGIA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and among Abengoa Solar Inc., a corporation organized and existing under the laws of the State of Delaware (“**Interconnection Customer**” with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60-Hz (nominal) alternating current.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and~~

Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.

**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The

~~study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.~~

~~**IRS** shall mean the Internal Revenue Service.~~

~~———**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~—— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) 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, which notice has been accepted for filing by FERC.~~

~~2.4 Termination Costs. If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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. However, to the extent that the costs of the Participating~~

~~TO's Delivery Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

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

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

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

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

~~**2.6** **Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred~~

hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

### **ARTICLE 3. ~~REGULATORY FILINGS AND 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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

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

~~Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period

shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~
- ~~6.4 Right to Inspect.~~** ~~Each Party shall have the right, but shall have no obligation to: (i) observe another Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of another Party's System Protection Facilities and other protective equipment; and (iii) review another Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through~~

~~the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.~~

## ~~ARTICLE 7. METERING~~

~~7.1 — **General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 polled 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2—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.** For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride-through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both~~

~~under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.~~

#### ~~9.7.4 System Protection and Other Control Requirements.~~

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

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

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

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

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

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

~~9.7.5 Requirements for Protection.~~ In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.

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

~~**9.9—Use of Interconnection Facilities by Third Parties.**~~

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

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

~~**9.10—Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~11.5.1~~ The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

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

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

~~11.6~~ **Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to

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

~~**12.3—Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4—Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

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

Name: David L. Mead \_\_\_\_\_

Title: Vice President \_\_\_\_\_

Date: November 15, 2010 \_\_\_\_\_

**California Independent System Operator Corporation**

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

Name: Steve Berberich \_\_\_\_\_

Title: Vice President & Chief Operating Officer \_\_\_\_\_

Date: November 18, 2010 \_\_\_\_\_

**Abengoa Solar Inc.**

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

Name: Emiliano Garcia Sanz \_\_\_\_\_

Title: General Manager \_\_\_\_\_

Date: November 12, 2010 \_\_\_\_\_

## **Appendices to LGIA**

~~Appendix A—Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for an Asynchronous Generating Facility~~

## **Appendix A To LGIA**

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

~~The Mojave Solar Project will connect to Participating TO's existing Cool Water-Kramer No. 1 220kV line, which is currently not part of the CAISO Controlled Grid, via a new Lockhart Substation. The Cool Water-Kramer No.1 220kV line, together with the Cool Water-Kramer No. 2 220kV line, are transmission lines that are radial to the CAISO Controlled Grid ("Radial Lines") and are presently solely used to provide service to the Cool Water Generating Station via the SCE-Reliant Energy Coolwater, LLC Amended and Restated Radial Lines Agreement ("Radial Lines Agreement"). Such facilities, along with the new Lockhart Substation, will remain radial to the CAISO Controlled Grid subsequent to interconnection of the Mojave Solar Project. While ownership between the Participating TO's and the Interconnection Customer's Interconnection Facilities will change at the new Lockhart Substation, interconnection to the CAISO Controlled Grid will be at the Kramer 220kV Substation, which is the western terminus for the Radial Lines. Accordingly, Lockhart Substation and its associated 220kV line-loop described herein are identified as Participating TO's Interconnection Facilities, and the upgrades at and beyond the Kramer Substation 220kV bus are identified as Network Upgrades.~~

~~The Interconnection Facilities described herein reflect additional facilities required to connect the Mojave Solar Project to the Participating TO's Radial Lines. In addition to the facilities and costs described herein, the Mojave Solar Project will be allocated a proportionate share of the facilities which, prior to interconnection of the Mojave Solar Project, are 100% assigned to the Cool Water Generating Station via the Radial Lines Agreement. Such proportionate share will be allocated to the Mojave Solar Project under the terms and conditions of a separate Mojave Solar Project Radial Lines Agreement between Participating TO and Interconnection Customer.~~

~~The configuration described above is expected to remain in place until the Participating TO's Delivery Network Upgrades described herein are placed in service, and applicable portions of the Radial Lines and the new Lockhart Substation are subsequently placed under CAISO operational control and become part of the CAISO Controlled Grid.~~

#### **1. Interconnection Facilities:**

- ~~(a) **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall:~~
- ~~(i) Construct the two (2) Alpha and Beta Generation Tie Lines between the Mojave Solar Project and the Point of Change of Ownership.~~
  - ~~(ii) Install an optical ground wire ("OPGW") telecommunications circuit on the Alpha and Beta Generation Tie Lines to support the line protection required for the Alpha and Beta Generation Tie Lines. The OPGW will also be used as one of the two fiber optic channels required for the Special Protection System ("SPS"), and to support the Remote Terminal Units ("RTU").~~

- ~~(iii) Install all required CAISO approved metering equipment at the Mojave Solar Project. Such metering equipment will also be used for the circuit that will feed Participating TO's retail meters for the Mojave Solar Project auxiliary load and must be capable of an accuracy of 0.15%.~~
- ~~(iv) Install a metering cabinet to house Participating TO's retail meters which allows for 24-hour access by Participating TO.~~
- ~~(v) Install the appropriate line protection relays at the Mojave Solar Project for each of the Alpha and Beta Generation Tie Lines, as specified by the Participating TO. As part of the Interconnection Facilities Study, the expected relays were identified to include the following:
  - ~~1. one (1) SEL-311L line current differential relay for each of the Alpha and Beta Generation Tie Lines with dual dedicated digital communication channels to Lockhart Substation~~
  - ~~2. one (1) GE L90 current differential relay for each of the Alpha and Beta Generation Tie Lines with dual dedicated digital communication channels to Lockhart Substation~~
  - ~~3. one (1) SEL-2030 communications processor for each of the Alpha and Beta Generation Tie Lines~~~~
- ~~(vi) Install the appropriate SPS relays at the Mojave Solar Project to trip the generator circuit breakers at each of the Alpha and Beta Generating Facilities, as specified by the Participating TO. As part of the Interconnection Facilities Study, the expected SPS relays were identified to include the following:
  - ~~1. two (2) GE N60 relays (one for SPS A and one for SPS B) for generator tripping at each of the Alpha and Beta Generating Facilities~~
  - ~~2. one (1) SEL-2407 satellite synchronized clock at each of the Alpha and Beta Generating Facilities~~~~
- ~~(vii) Perform required site preparation and grading for Participating TO's Lockhart Substation. The substation pad shall be graded to meet Participating TO's size, slope, and other civil requirements:
  - ~~1. Prepare a grading and drainage plan showing the finished substation pad for Participating TO's Lockhart Substation. The Lockhart Substation internal dimensions shall measure approximately 453 feet x 545 feet, with an additional 10 foot wide buffer around the entire station.~~
  - ~~2. The design shall provide drainage improvements that prevent upslope surface water from entering Lockhart Substation.~~
  - ~~3. The design shall provide an asphalt concrete paved access road extending from the Interconnection Customer's planned roadway network.~~
  - ~~4. Interconnection Customer shall grade the site and access road in accordance with the grading plans, as approved by the applicable approval agency and the Participating TO. Participating TO will use Reasonable Efforts to review and provide comments to such grading plans within thirty (30) Calendar Days of the Interconnection Customer's submission to Participating TO.~~~~

~~(viii) Grant an easement which provides the Participating TO unrestricted, 24 hour access to Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades for construction, operation, and maintenance.~~

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

- ~~(i) Cool Water-Kramer No. 1 220kV Line: Loop the existing line in and out of Lockhart Substation and form the two new Cool Water-Lockhart and Kramer-Lockhart 220kV transmission lines. This work requires the installation of new double circuit tower line with one initial circuit from the existing 220kV right-of-way to the new Lockhart Substation. The specifics include the following:
  - ~~1. Install four (4) double circuit lattice towers equipped with one initial circuit utilizing 1B-1590KCMIL ACSR conductors per phase.~~
  - ~~2. Install OPGW on the double-circuit tower line.~~
  - ~~3. Install forty-two (42) dead-end insulator hardware assemblies with eight-four (84) polymer insulators.~~~~
- ~~(ii) Alpha-Lockhart 220kV Generation Tie Line: Install one (1) span of 1B-1590KCMIL ACSR conductor and six (6) dead-end insulator hardware assemblies between the last Alpha Generation Tie Line dead-end structure and the Lockhart Substation 220kV switchyard.~~
- ~~(iii) Beta-Lockhart 220kV Generation Tie Line: Install one (1) span of 1B-1590KCMIL ACSR conductor and six (6) dead-end insulator hardware assemblies between the last Beta Generation Tie Line dead-end structure and the Lockhart Substation 220kV switchyard.~~
- ~~(iv) Lockhart Substation: Install a new 220kV substation to interconnect the Mojave Solar Project. The new 220kV substation will be served by looping the Cool Water-Kramer No. 1 220kV transmission line in and out of the substation. The new substation will include two 220kV operating buses covering six 220kV positions arranged in a breaker-and-half configuration. One 220kV position will be equipped with three circuit breakers and will be used to support looping the Cool Water-Kramer No.1 220kV transmission line; one 220kV position will be used to terminate the Alpha 220kV Generation Tie Line; and one position to terminate the Beta Generation Tie Line. The three remaining positions will be reserved for future use.~~

~~*For planning purposes and for the purpose of this LGIA, this substation is referred to as Lockhart Substation. Following the Effective Date of this agreement the Participating TO will officially name the substation based on the Participating TO's substation naming criteria. In the event the Participating TO names the substation something other than Lockhart Substation, this LGIA will be amended accordingly.*~~

1. ~~Operating Buses: Install the following equipment on the 220kV east and west buses:
  - a. ~~Four (4) bus dead-end structures (45 ft. high by 50 ft. wide)~~
  - b. ~~Four (4) bus dead-end insulator assemblies~~
  - c. ~~Four (4) 220kV CCVT potential devices~~
  - d. ~~Two (2) 220 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 4,000 ft. of conductor)~~~~
2. ~~Position 1: Left vacant for future looping of the Cool Water-Kramer No. 2 220kV transmission line~~
3. ~~Position 2: Install the following equipment to terminate the Cool Water and Kramer 220kV transmission lines being looped-in to the substation at a three-breaker line position on a breaker-and-a-half configuration:
  - a. ~~Two (2) dead-end structures (64 ft. high by 45 ft. wide)~~
  - b. ~~Three (3) 220kV 3000A 50kA circuit breakers including foundations~~
  - c. ~~Six (6) 220kV 3000A 80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, two of them equipped with grounding attachments~~
  - d. ~~Six (6) 220kV bus supports~~
  - e. ~~Six (6) 220kV CCVT potential devices~~
  - f. ~~Six (6) surge arresters~~
  - g. ~~Six (6) line tie-downs with 2B-1590KCMIL ACSR conductors per phase~~
  - h. ~~Three (3) 280 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)~~~~
4. ~~Position 3: Left vacant for future use~~
5. ~~Position 4: Left vacant for future use~~
6. ~~Position 5: Install the following equipment to terminate the new Alpha 220kV Generation Tie Line at a dedicated double breaker position on a breaker-and-a-half configuration:
  - a. ~~One (1) dead-end structure (65 ft. high by 50 ft. wide) with a 15 ft. high extension for OPGW~~
  - b. ~~Two (2) 220kV 3000A 50kA circuit breakers including foundations~~
  - c. ~~Four (4) 220kV 3000A 80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, one of them equipped with grounding attachments~~
  - d. ~~Fifteen (15) 220kV bus supports~~
  - e. ~~Three (3) 220kV CCVT potential devices~~
  - f. ~~Three (3) 220kV lightning arresters~~
  - g. ~~Three (3) line tie-downs with 2B-1590KCMIL ACSR conductors per phase~~
  - h. ~~Three (3) 280 ft. sections of 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)~~~~

7. ~~Position 6: Install the following equipment to terminate the new Beta 220kV Generation Tie Line at a dedicated double breaker position on a breaker-and-a-half configuration:
  - a. ~~One (1) dead-end structure (65 ft. high by 50 ft. wide) with a 15 ft. high extension for OPGW~~
  - b. ~~Two (2) 220kV—3000A—50kA circuit breakers including foundations~~
  - c. ~~Four (4) 220kV—3000A—80kA horizontal-mounted group-operated disconnect switches with support structures including foundations, one of them equipped with grounding attachments~~
  - d. ~~Fifteen (15) 220kV bus supports~~
  - e. ~~Three (3) 220kV CGVT potential devices~~
  - f. ~~Three (3) 220kV lightning arresters~~
  - g. ~~Three (3) line tie-downs with 2B-1590KCMIL ACSR conductors per phase~~
  - h. ~~Three (3) 280 ft. sections 2B-1590KCMIL ACSR bus conductors per phase (approximately 2,000 ft. of conductor)~~
  - i. ~~One (1) dead-end structure (64 ft. high by 45 ft. wide) to terminate the conductors from the Kramer 220kV transmission line at Position 2-W.~~~~
8. ~~Mechanical-Electrical Equipment Room (MEER): Install a new 30 ft. by 46 ft. MEER to house the following equipment:
  - a. ~~Batteries and battery charger~~
  - b. ~~Light & power selector switch~~
  - c. ~~Light & power panel~~
  - d. ~~A.C. distribution panel~~
  - e. ~~D.C. distribution panel~~
  - f. ~~All telecommunications equipment~~
  - g. ~~Control and relay panels~~
  - h. ~~Four (4) air conditioning units~~~~
9. ~~Protection Relays:
  - a. ~~220kV buses
    - i. ~~One (1) GEPVD21D and one (1) SEL-5872 bus differential relay for each 220kV East and West bus~~~~
  - b. ~~220kV Transmission Lines:
    - i. ~~Install the following relays for the Participating TO's Cool Water-Lockhart and Kramer-Lockhart 220kV transmission lines:
      1. ~~Three (3) GE C60 breaker management relays~~
      2. ~~One (1) GE L90 line current differential relay for each line~~
      3. ~~One (1) Schweitzer SEL-311L line current differential relay for each line~~~~
    - ii. ~~Install the following relays for each 220kV Generation Tie Line:
      1. ~~Two (2) GE C60 breaker management relays~~
      2. ~~One (1) GE L90 line current differential relay~~
      3. ~~One (1) Schweitzer SEL-311L line current differential relay~~~~
    - iii. ~~Install one (1) 32/64 digital fault recorder~~~~~~

- iv. ~~Install SPS relays as follows:~~
  - 1. ~~Two (2) GE N60 relays for line monitoring of the Kramer-Lockhart 220kV line~~
  - 2. ~~One (1) Schweitzer SEL-2407 satellite-synchronized clock~~
- 10. ~~Other Substation Elements:~~
  - a. ~~Install approximately 1800 linear ft. of 8 ft. perimeter fence with double barbed wire to cover an approximate 450 ft. by 542 ft. area, and two (2) 20 ft. double door driveway gates.~~
  - b. ~~Install grounding grid to cover a 453 ft. by 545 ft. area (3 ft. outside fence).~~
  - c. ~~Install approximately 50,000 square ft. of paved driveway.~~
  - d. ~~Install approximately 1000 linear ft. of control cable trench.~~
  - e. ~~Install temporary power service to construct the substation.~~
- 11. ~~IT Support~~
  - a. ~~Install two (2) IT cabinets on each line dead-end in Position 2~~
  - b. ~~Install two (2) IT manholes between each of the two lines in Position 2 and the MEER, a total of four (4) manholes~~
  - c. ~~Install two (2) 5 in. PVC conduits from each line dead-end in Position 2 to the MEER, approximately 1500 ft total~~
- 12. ~~12kV Station Light and Power Switchrack – install one (1) 12kV station light and power switchrack equipped with the following:~~
  - a. ~~Three (3) 10E, 12kV standard fuse disconnects~~
  - b. ~~Three (3) 12kV/240v 25kVA three phase transformers~~
  - c. ~~One (1) 12kV 120/240v 25kVA single phase transformer~~
  - d. ~~Three (3) 12kV 10E standard fuses (spares) and fuse box~~
- 13. ~~Station Light and Power Back-up – install twelve (12) 7.5 kVA, single phase transformers and one (1) automated transfer switch~~
- (v) ~~Cool Water Generation Station Switchyard:~~
  - 1. ~~Replace line protection on the existing Kramer No.1 and 2 220kV lines in Positions 2 and 5 to be compatible with the new line protection relays to be installed at Lockhart Substation, and install SPS relays in Position 5 for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
    - a. ~~Position 2:~~
      - i. ~~Replace the two (2) existing 220kV Kelman circuit breakers with 3000A – 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~
      - ii. ~~Remove the existing wave trap and line tuner~~
      - iii. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
      - iv. ~~Replace the existing protective relays with one (1) GE L90 relay, one (1) SEL-311L relay including control switches and test switches, and two (2) C60 breaker failure relays~~

~~b. Position 5:~~

- ~~i. Replace the two (2) existing 220kV Kelman circuit breakers with 3000A — 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~
- ~~ii. Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
- ~~iii. Replace the existing protective relays with one (1) GE L90 relay, one (1) SEL-311L relay including control switches and test switches, and two (2) C60 breaker failure relays~~
- ~~iv. Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS:
  - ~~1. Two (2) GE N60 relays for line monitoring, logic processing and generator tripping~~
  - ~~2. One (1) Schweitzer SEL-2407 satellite synchronized clock~~~~

~~(vi) Kramer Substation:~~

- ~~1. Replace line protection on the existing Cool Water-Kramer No.1 and No. 2 220kV lines in Positions 2 and 8 to be compatible with the new line protection relays to be installed at Lockhart Substation, and install SPS relays in Position 8 for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~

~~a. Position 2:~~

- ~~i. Replace the two (2) existing 220kV Kelman circuit breakers with 3000A — 50kA rated circuit breakers, including foundations, all control cables and pull boxes~~
- ~~ii. Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections.~~
- ~~iii. Replace the existing protective relays with one (1) GE L90 current differential relay with dual dedicated digital communication channels, one (1) SEL-311L line current differential relay with digital communication channels, and two (2) GE C60 breaker management relays~~

~~b. Position 8:~~

- ~~i. Replace one (1) existing 220kV Kelman circuit breaker on the North bus with a 3000A — 50kA rated circuit breaker, including foundations, all control cables and pull boxes~~
- ~~ii. Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
- ~~iii. Install twelve (12) current transformers on the existing circuit breaker in the tie position~~
- ~~iv. Replace the existing protective relays with one (1) GE L90 current differential relay with dual dedicated digital communication channels, one (1) SEL-311L line current~~

- differential relay with dedicated digital communication channels, and two (2) GE C60 breaker management relays
- v. ~~Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS:~~
1. ~~Eight (8) GE N60 relays for line monitoring, logic processing and generator tripping~~
  2. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
- (vii) ~~Tortilla Substation: Construct a new communications room (approximate size is 14 ft. x 37 ft.) and required infrastructure, such as underground conduits, vaults, etc., to support the additional telecommunication equipment.~~
- (viii) ~~Power System Control:~~
1. ~~Install one (1) RTU at each of the Alpha and Beta Generating Facilities to transmit generator unit gross MW and MVAR, generator status, generator circuit breaker status, generator terminal voltage, and project net MW and MVAR.~~  
~~Notwithstanding that the RTUs will be located on Interconnection Customer's side of the Point of Change of Ownership; Participating TO shall own, operate and maintain the RTUs as part of the Participating TO's Interconnection Facilities.~~
  2. ~~Install one (1) RTU at Lockhart Substation to monitor MW, MVAR and phase amps at each line and also kV at lines and buses and all circuit breaker status/control, and protection relays status and alarms.~~
  3. ~~Replace existing RTU in the 220kV relay room at the Cool Water Generation Station Switchyard to allow the installation of additional points required to support the new SPS.~~
- (ix) ~~Telecommunications:~~
1. ~~Install approximately three miles of new All Dielectric Self Supporting (ADSS) fiber optic cable on new wood poles from the Lockhart Substation to each of the Alpha and Beta Generating Facilities to provide a second path to support the Alpha and Beta Generating Facilities 220kV line protection relays, RTUs, and support the SPS trip signals between the Lockhart Substation and the Alpha and Beta Generating Facilities.~~
  2. ~~Install ADSS fiber optic cable utilizing a combination of new and existing wood poles to provide the second of two diverse paths to support the Kramer-Lockhart and Cool Water-Lockhart 220kV line protection relays, RTU, and SPS trip signals between the Kramer and Lockhart Substations and between the Cool Water and Lockhart Substations. The following ADSS circuits are required:~~
    - a. ~~Install approximately seventeen miles of ADSS from the Lockhart Substation to Kramer Substation~~
    - b. ~~Install approximately thirty-one miles of ADSS from the Lockhart Substation to Tortilla Substation~~
    - c. ~~Completion of the telecommunications path to Cool Water will utilize the eleven mile Tortilla-Cool Water fiber optic cable that is~~

~~proposed to be constructed under a previous Participating TO project (see Section 17 of this Appendix A).~~

- ~~3. Install required lightwave terminal equipment and channel bank equipment required for interface between the fiber optic cable and relays at the following locations:
  - ~~a. Alpha and Beta Generating Facilities~~
  - ~~b. Lockhart Substation~~
  - ~~c. Cool Water Generating Station~~
  - ~~d. Kramer Substation (Lockhart-Kramer)~~
  - ~~e. Tortilla Substation~~~~

~~Notwithstanding that the fiber optic telecommunications circuit between Lockhart Substation and the Alpha and Beta Generating Facilities and terminal equipment at the Alpha and Beta Generating Facilities will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain these facilities as part of the Participating TO's Interconnection Facilities.~~

- ~~(x) Corporate Real Estate, Project Licensing, Environmental Health & Safety: Perform all required functions to obtain easements and/or land acquisition, licensing and related environmental studies for the Lockhart Substation, the Cool Water-Kramer No. 1 220kV transmission line loop, and associated telecommunications.~~

## ~~2. Network Upgrades:~~

~~a) Stand Alone Network Upgrades: None.~~

~~b) Other Network Upgrades:~~

~~(i) Participating TO's Reliability Network Upgrades: The Participating TO shall:~~

~~1. Kramer Substation:~~

- ~~a. Replace line protection on the existing Kramer-Victor and Kramer-Roadway-Victor 115kV lines in Positions 2 and 3, and install SPS relays in Positions 2 and 3 required for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~

~~i. Position 2:~~

- ~~1. Install three (3) current transformers on each pole of the 115kV circuit breaker connected to the South bus~~
- ~~2. Replace line protection using the following devices:
  - ~~a. One (1) SEL-311L line current differential relay with dual dedicated digital communication channels to Lockhart Substation~~
  - ~~b. One (1) GE L90 current differential relay with dual dedicated digital communication channels~~~~

- ~~3. Install the following SPS relays:
  - ~~a. Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
  - ~~b. One (1) Schweitzer SEL-2407 satellite synchronized clock~~~~
- ~~ii. Position 3:
  - ~~1. Replace line protection using the following devices:
    - ~~a. One (1) SEL-311L line current differential relay with dual dedicated digital communication channels to Lockhart Substation~~
    - ~~b. One (1) GE L90 current differential relay with dual dedicated digital communication channels~~~~
  - ~~2. Install the following SPS relays:
    - ~~a. Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
    - ~~b. One (1) Schweitzer SEL-2407 satellite synchronized clock~~~~~~
- ~~2. Lugo Substation:
  - ~~a. Install SPS relays on the existing Kramer-Lugo No.1 and No.2 lines in Positions 5 and 6 and on the Lugo No. 1 and No.2 AA Banks for bank monitoring required for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:
    - ~~i. Position 5:
      - ~~1. Install twelve (12) current transformers on the existing 220kV tie circuit breaker~~
      - ~~2. Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to the existing communication room~~
      - ~~3. Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS
        - ~~a. Six (6) GE N60 relays for the line and bank monitoring~~
        - ~~b. One (1) Schweitzer SEL-2407 satellite synchronized clock~~~~~~
    - ~~ii. Position 6:
      - ~~1. Install twelve (12) current transformers on the existing 220kV tie circuit breaker~~
      - ~~2. Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to the existing communication room~~
      - ~~3. Install the following SPS relays required for inclusion of the Mohave Solar Project to the upgraded Kramer SPS
        - ~~a. Six (6) GE N60 relays for the line and bank monitoring~~
        - ~~b. One (1) Schweitzer SEL-2407 satellite synchronized clock~~~~~~~~
  - ~~3. Victor Substation:
    - ~~a. Install SPS relays on the existing Kramer-Victor and Kramer-Roadway Victor 115kV lines in Positions 2 and 3 for inclusion of the Mojave Solar Project in the upgraded Kramer SPS :~~~~~~

- i. ~~Position 2:~~
    - 1. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
    - 2. ~~Install the following SPS relays for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
      - a. ~~Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
      - b. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
  - ii. ~~Position 3:~~
    - 1. ~~Install one (1) IT cabinet on the existing line dead-end and two (2) 5 in. conduits to new telecom racks in the communication room for the new OPGW connections~~
    - 2. ~~Install the following SPS relays for inclusion of the Mojave Solar Project to the upgraded Kramer SPS:~~
      - a. ~~Four (4) GE N60 relays for line monitoring, logic processing and generator tripping~~
      - b. ~~One (1) Schweitzer SEL-2407 satellite synchronized clock~~
4. ~~Power System Control: Replace existing RTUs at Lugo and Victor Substations to allow the installation of additional points, and install two (2) new RTU's at Kramer Substation, required to support the new SPS.~~
5. ~~Telecommunications:~~
  - a. ~~Install approximately thirty-eight miles of new ADSS fiber optic cable between Victor Substation and Kramer Substation on a combination of new wood poles and existing poles and install a repeater at Roadway Substation to support the SPS~~
  - b. ~~Complete the telecommunications loop by using the following existing infrastructure:~~
    - i. ~~Existing fifteen mile Lugo-Victor fiber optic cable.~~
    - ii. ~~Existing Kramer-Frost Peak-Lugo microwave path.~~
    - iii. ~~Existing Cool Water-Flash Two-Quartzsite-Lugo microwave path.~~
  - c. ~~Install required lightwave terminal equipment and channel bank equipment required for interface between the fiber optic cable and relays at the following locations:~~
    - i. ~~Kramer Substation (Victor-Kramer)~~
    - ii. ~~Lugo Substation~~
    - iii. ~~Victor Substation~~

- ~~(ii) Participating TO's Delivery Network Upgrades: The Participating TO shall:~~
- 1. ~~Cool Water-Lugo 220kV Transmission Line:~~
    - a. ~~Install a new 59 mile 220kV transmission line including the following elements:~~

- ~~i. approximately 16 circuit miles of 2B-2156 KCMIL ACSR conductor (510,000 linear feet)~~
- ~~ii. approximately 43 circuit miles of 2B-1590KCMIL ACSR conductor (1,365,000 linear feet)~~
- ~~iii. ½ inch steel overhead ground wire as needed~~
- ~~iv. approximately 59 miles of OPGW (315,000 linear feet)~~
- ~~b. The work also requires the removal of the following elements:~~
  - ~~i. approximately eighteen 220kV single circuit dead-end lattice structures~~
  - ~~ii. approximately one hundred two 220kV single circuit suspension lattice structures~~
  - ~~iii. approximately 32 circuit miles of 605KCMIL ACSR conductor (510,000 linear feet)~~
  - ~~iv. approximately 64 miles of ½ inch steel overhead ground wire (340,000 linear feet)~~

~~The specific details associated with the Cool Water-Lugo 220kV transmission line will be developed by the Participating TO as part of a Proponent's Environmental Assessment ("PEA") used to support an Application for Certificate of Public Convenience and Necessity ("CPCN") to the CPUC.~~

- ~~2. Cool Water Generating Station 220kV Switchyard:~~
  - ~~a. Install additional equipment at the existing 220kV Position No. 1, presently terminating the Unit 31-32 transformer bank, to terminate the new Lugo 220kV transmission line in a breaker-and-a-half configuration:~~
    - ~~i. one (1) low profile dead-end structure (32 feet high x 47 feet wide)~~
    - ~~ii. three (3) 220kV—3000A—50kA circuit breakers~~
    - ~~iii. five (5) 220kV horizontal-mounted group-operated disconnect switches, one of them equipped with grounding attachments~~
    - ~~iv. three (3) line tie-downs with 2B-1590KCMIL ACSR conductors~~
    - ~~v. three (3) 340 foot sections of 2B-1590KCMIL ACSR bus conductors (approximately 2,000 linear feet)~~
    - ~~vi. remove six (6) 220kV bus supports~~
  - ~~b. Install the following line protection and SPS related relays and equipment at the existing control room:~~
    - ~~i. two (2) GE C60 breaker management relays~~
    - ~~ii. one (1) GE L90 line current differential relay~~
    - ~~iii. one Schweitzer SEL-311L line current differential relay~~
    - ~~iv. one Schweitzer SEL-2030 Communications Processor~~
    - ~~v. two (2) GE N60 relays to monitor status of the Cool Water-Lugo 220kV transmission line~~
    - ~~vi. one (1) Schweitzer SEL-2407 satellite synchronized clock~~

3. ~~Lugo Substation:~~
  - a. ~~Install the following equipment to terminate the Cool Water 220kV transmission line in a new double breaker line position arranged in a breaker and a half configuration:~~
    - i. ~~one (1) dead-end structure (64 feet high x 45 feet wide)~~
    - ii. ~~two (2) 220kV — 3000A — 50kA circuit breakers~~
    - iii. ~~four (4) 220kV horizontal-mounted group-operated disconnect switches, one of them equipped with grounding attachments~~
    - iv. ~~eighteen (18) 220kV bus supports~~
    - v. ~~three (3) line tie-downs with 2B-1590KCMIL ACSR bus conductors~~
    - vi. ~~three (3) 280 foot sections of 2B-1590KCMIL ACSR conductors (approximately 1,700 linear feet)~~
  - b. ~~Install the following line protection and SPS related relays and equipment at the existing control room:~~
    - i. ~~two (2) GE C60 breaker management relays~~
    - ii. ~~one (1) GE L90 line current differential relay~~
    - iii. ~~one (1) Schweitzer SEL-311L line current differential relay~~
    - iv. ~~one (1) Schweitzer SEL-2030 communications processor~~
    - v. ~~two (2) GE N60 relays to monitor status of the Cool Water-Lugo 220kV transmission line, perform logic processing, and send corresponding trip signals to both the Alpha and Beta Generating Facilities under the line outage~~
    - vi. ~~one (1) Schweitzer SEL-2407 satellite-synchronized clock~~
4. ~~Telecommunications: Install lightwave transponder equipment or optical amplifier equipment, and channel bank equipment at Cool Water and Lugo Substations.~~
5. ~~Power System Control: Install new RTUs at Lugo Substation and the Cool Water Generating Station to allow the installation of additional point required to monitor the new 220kV line positions and support the new SPS.~~
6. ~~Corporate Real Estate, Project Licensing, Environmental Health & Safety: Perform all required functions to obtain easements and/or land acquisition, licensing and related environmental studies for the Participating TO's Delivery Network Upgrades, including the new Cool Water-Lugo 220kV transmission line and associated telecommunications.~~

~~The above scope of work for the Participating TO's Delivery Network Upgrades is based on the Interconnection Facilities Study report dated November 20, 2009. The Participating TO is currently refining the scope of work and the estimated costs for the Participating TO's Delivery Network Upgrades based on supplemental engineering information. Following the Effective Date of this LGIA, the Participating TO will amend this LGIA to~~

reflect an updated scope of work and cost estimate for the Participating TO's Delivery Network Upgrades.

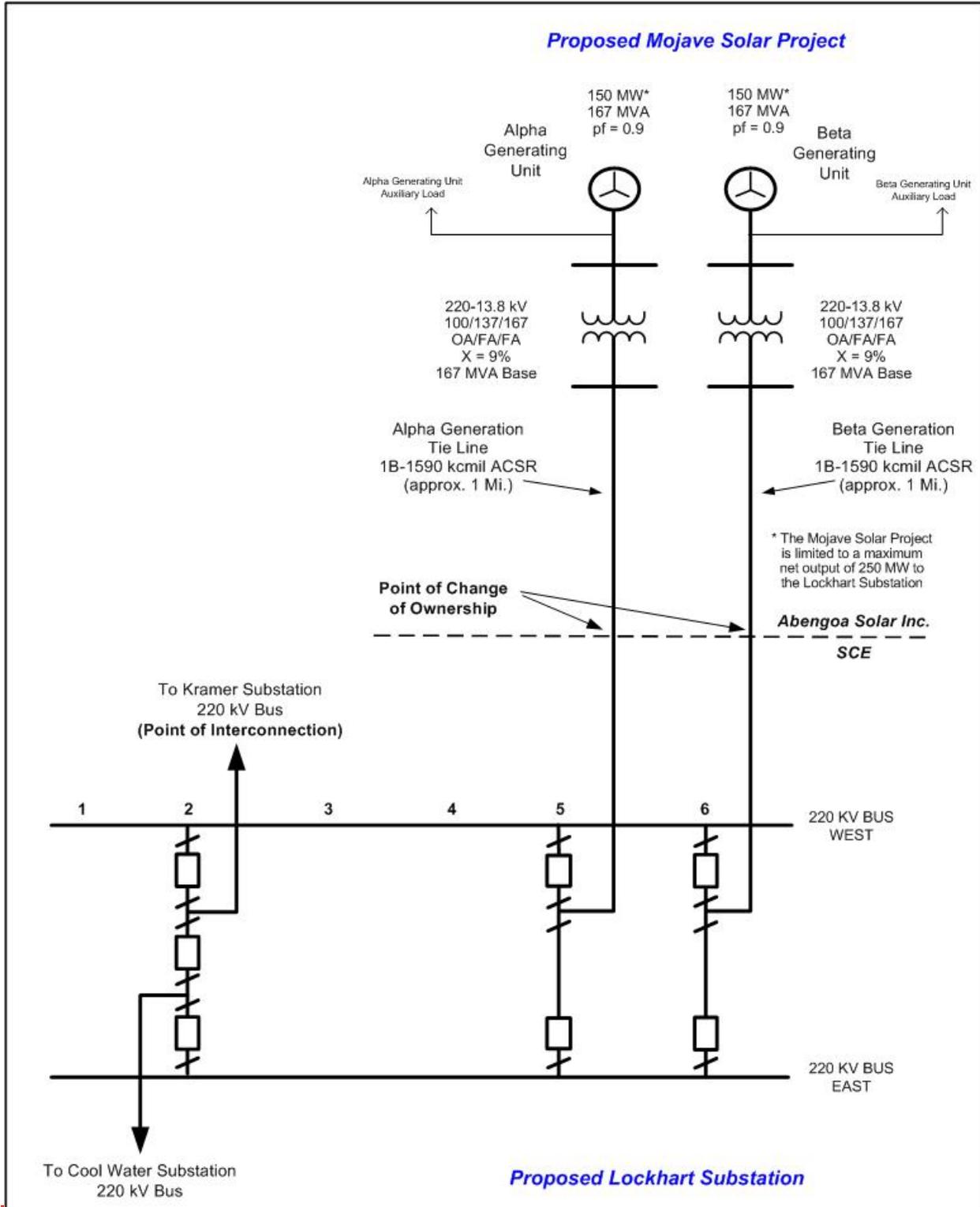
**3. ~~Distribution Upgrades:~~** The Participating TO shall:

- (a) ~~Distribution Upgrades not subject to the Distribution Upgrades Charge~~
  - (i) ~~Relocate and upgrade approximately one mile of the existing overhead conductor to 1/0 ACSR conductor on approximately twenty-two existing wood poles~~
- (b) ~~Distribution Upgrades subject to the Distribution Upgrades Charge~~
  - (i) ~~Connect the existing Hutt 12kV distribution circuit out of the Hutt Poletop Substation to the 12kV rack inside the new Lockhart Substation.~~
    - 1. ~~Install a new riser pole~~
    - 2. ~~Install between 100-400 ft. of two (2) five-inch underground conduits from the new riser pole west of the new Lockhart Substation to the substation 12kV rack to provide a path for one of the two required sources of station light and power~~

**4. ~~Point of Change of Ownership:~~** The point at which the conductors of Participating TO's Interconnection Facilities attach to the insulators on the south side of the first tower on each of the Alpha and Beta Generation Tie Lines located outside the perimeter fence of Participating TO's Lockhart Substation. Interconnection Customer will install, own, and maintain said first towers, including all insulators and associated hardware.

**5. ~~Point of Interconnection:~~** The Participating TO's Kramer Substation 220kV bus. Notwithstanding the foregoing, as provided for in Appendix C, Section 3(f), following the date the Delivery Network Upgrades are constructed and placed under the operational control of the CAISO, the Point of Interconnection will become Lockhart Substation.

## 6.—One-Line Diagram of Interconnection to Lockhart Substation



~~7. **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

- ~~(a) Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Participating TO's Delivery Network Upgrades if such facilities are abandoned due to circumstances outside of the Participating TO's control.~~
- ~~(b) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.~~
- ~~(c) Alpha and Beta 220kV Generation Tie Lines: The single circuit, approximate one mile, 220 kV generation tie line between each of the Mojave Solar Project's Alpha and Beta Generating Unit switchyards and the Point of Change of Ownership with 1B-1590KCMIL ACSR conductor and OPGW, constructed, owned, operated and maintained by the Interconnection Customer.~~
- ~~(d) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA and Distribution Upgrades. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities and Distribution Upgrades; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities and Distribution Upgrades; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities and Distribution Upgrades, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost and the Distribution Upgrades Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost or Distribution Upgrades Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~
- ~~(e) CPUC: The California Public Utilities Commission, or its regulatory successor.~~
- ~~(f) Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

- ~~(g) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~
- ~~(h) Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 14 of this Appendix A.~~
- ~~(i) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~(j) Distribution Upgrades Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's applicable Distribution Upgrades, calculated as the product of the Customer-Financed Monthly Rate and the applicable Distribution Upgrades Cost. The Distribution Upgrades Charge is provided in Section 15 of this Appendix A.~~
- ~~(k) Distribution Upgrades Completion Date: The date upon which the construction of the Participating TO's Distribution Upgrades is complete and such facilities are successfully tested and ready for service.~~
- ~~(l) Distribution Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 14 of this Appendix A.~~
- ~~(m) Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~(n) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~
- ~~(o) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

- ~~(p) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~
- ~~(q) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~
- ~~(r) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost is described in Section 10 of this Appendix A and is shown in Section 14 and 16 of this Appendix A.~~
- ~~(s) Lockhart Substation: Participating TO's proposed 220kV substation located approximately 5.5 miles north-east of the intersection of California State Highway 58 and Harper Lake Road in the county of San Bernardino, to which the existing Cool Water-Kramer No. 1 220kV line will be looped-in forming the new Cool Water-Lockhart and the Kramer-Lockhart 220kV lines.~~
- ~~(t) Letter Agreement: The agreement between Participating TO and Interconnection Customer executed on May 12, 2010 under which Participating TO performed the Lockhart Substation siting study and prepared a description of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades for Interconnection Customer's Application For Certification at the California Energy Commission, designated as Service Agreement No. 81 under Participating TO's FERC Electric Tariff, Second Revised Volume No. 6.~~
- ~~(u) Mojave Solar Project: The Generating Facility as described in Appendix C of this LGIA.~~
- ~~(v) Mojave Solar Project Radial Lines Agreement: The agreement between Participating TO and Interconnection Customer, to be executed prior to the Interconnection Facilities Completion Date, pursuant to which the Mojave Solar Project is allocated a proportionate share of the existing 220kV facilities at and between the Cool Water Generating Station 220kV Switchyard and Kramer 220kV Substation that are not part of the CAISO Controlled Grid.~~
- ~~(w) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Participating TO's Delivery Network Upgrades, Distribution Upgrades,~~

~~Participating TO's Reliability Network Upgrades or Capital Additions which are not capitalized.~~

~~(x) Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(y) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(z) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any portion thereof which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities and Distribution Upgrades.~~

~~(aa) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(bb) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. Transmission Credits:** Pursuant to Article 11.4 of the LGIA, the Interconnection Customer elects to receive repayment of the amounts advanced for the costs of the Participating TO's Reliability Network Upgrades, which equals the Reliability Network Upgrades Payment as shown in Section 16 of this Appendix A. Subject to Section 12(d) of this Appendix A, no repayment or Congestion Revenue Rights are applicable for the Participating TO's Delivery Network Upgrades since this LGIA assumes that the Participating TO will up-front finance the Participating TO's Delivery Network Upgrades as described in Section 2 of this Appendix A. If Abandoned Plant Approval is not received, this LGIA shall be amended, unless this LGIA is otherwise terminated by the Interconnection Customer in accordance with Section 12(d)(i) of this Appendix A, and the Interconnection Customer shall make its election pursuant to Article 11.4 for the Participating TO's Delivery Network Upgrades at that time.~~

~~**9. Security Amount for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$ 73,391,000 to cover the costs for constructing, procuring and~~

~~installing the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer. Such Credit Support shall be provided via a letter of credit that is automatically adjusted pursuant to the following schedule:~~

<del>Due Date (Following the Participating TO's receipt of Abandoned Plant Approval)</del>	<del>Total Amount of Letter of Credit</del>
<del>Within 30 Calendar Days</del>	<del>\$11,274,000</del>
<del>October 1, 2011</del>	<del>\$73,391,000</del>

~~If the Participating TO does not receive Abandoned Plant Approval, unless the Interconnection Customer terminates this LGIA in accordance with Section 12(d)(i) of this Appendix A, the Interconnection Customer shall provide additional Credit Support for the costs of engineering, constructing, procuring and installing the Participating TO's Delivery Network Upgrades, in an amount to be reflected in an amendment to this LGIA. The disposition of any released additional Credit Support shall be directed by the Interconnection Customer.~~

~~**10. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1 – Current Tax Rate) = 35%~~

~~Estimated tax liability = 35% \* (Interconnection Facilities Cost + Distribution Upgrades Cost) = 35% \* \$ 55,715,000 = \$ 19,500,250~~

~~Distribution Upgrades Cost = \$ 1,068,000~~

~~Interconnection Facilities Cost = \$ 54,647,000~~

~~Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$ 19,500,250, pursuant to Article 5.17.3 and Appendix B of the LGIA. Such Credit Support shall be provided via a letter of credit that is automatically adjusted pursuant to the following schedule:~~

<del>Due Date (Following the Participating TO's receipt of Abandoned Plant Approval)</del>	<del>Total Amount of Letter of Credit</del>
<del>Within 30 Calendar Days</del>	<del>\$3,945,900</del>
<del>October 1, 2011</del>	<del>\$19,500,250</del>

**11. Removal of the Participating TO's Interconnection Facilities and Distribution Upgrades:** ~~Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

**12. Charges:**

- ~~(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Distribution Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) Distribution Upgrades Charge; (viii) any reimbursable FERC fees pursuant to Section 13(h) of this Appendix A; (ix) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (x) termination charges pursuant to Article 2.4 of the LGIA, however to the extent that the costs of the Participating TO's Delivery Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges; (xi) disconnection costs pursuant to Article 2.5 of the LGIA; and (xii) suspension costs pursuant to Article 5.16 of the LGIA.~~
- ~~(b) The Delivery Network Upgrades Cost, Distribution Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~
- ~~(c) If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be reviewed by the Participating TO and may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~
- ~~(d) The Participating TO commits to finance the Participating TO's Delivery Network Upgrades and the associated One-Time Cost as specifically identified in Section~~

~~2b)(ii) of this Appendix A, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~

- ~~(i) Abandoned Plant Approval: If the Participating TO has not received Abandoned Plant Approval within six (6) months of applying for such approval (or such longer period as may be agreed to in writing by the Participating TO and the Interconnection Customer), the Participating TO shall amend this LGIA such that the Interconnection Customer shall be responsible for financing the costs of the Participating TO's Delivery Network Upgrades, subject to FERC's acceptance or approval. In the event the Interconnection Customer chooses for any reason not to amend this LGIA to provide for Interconnection Customer financing of the Participating TO's Delivery Network Upgrades, the Interconnection Customer shall terminate the LGIA in accordance with Article 2.3 of the LGIA;~~
- ~~(ii) Continued achievement of development milestones by the Interconnection Customer, as described Table 1 below:~~

### **~~Participating TO's Transmission Development and Interconnection Customer's Generation Development Milestones and Decision Points~~**

~~The Parties acknowledge and agree that the Mojave Solar Project can interconnect following completion of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades; however, based on the Deliverability Assessment performed by the CAISO, the Mojave Solar Project will not have Full Capacity Deliverability Status, as such term is defined in the CAISO Tariff, until such time as the Participating TO's Delivery Network Upgrades are constructed and placed in service, or as otherwise determined by the CAISO. The Participating TO estimates that the time required to license, construct, test and place the Participating TO's Delivery Network Upgrades in service is approximately seven (7) years following Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Appendix B of this LGIA, assuming compliance with the milestones in this Section 12(d). The Participating TO has agreed to up-front finance the Participating TO's Delivery Network Upgrades under the terms specified in this Section 12(d) and to target the seven (7) year in-service date for the Participating TO's Delivery Network Upgrades subject to the Interconnection Customer also moving forward on its schedule and achieving the milestones identified in Table 1 below.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>• Participating TO applies for Abandoned Plant Approval</li> </ul>	<ul style="list-style-type: none"> <li>• Interconnection Customer secures final Site Control for the Generating Facility</li> <li>• Interconnection Customer secures all permits, licenses, and property rights required for the construction of the Generating Facility and Interconnection Customer's Interconnection Facilities</li> </ul>
<p><b>DECISION POINT #1:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	

**Group 2 Milestones and Decision Point #2**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"><li>• Participating TO receives Abandoned Plant Approval</li></ul>	<ul style="list-style-type: none"><li>• Interconnection Customer has provided Credit Support in accordance with Section 9 of Appendix A</li></ul>

**DECISION POINT #2:** Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.

**Group 3 Milestones and Decision Point #3**

**Participating TO Milestone**

- Participating TO commences final design and engineering for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.
- Participating TO secures all required permits, licenses, and property rights for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.
- Participating TO completes final design and engineering for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.
- Participating TO commences the work necessary to support the CPCN application at the CPUC for the Participating TO's Delivery Network Upgrades
- Participating TO commences final design and engineering for the

**Interconnection Customer Milestone**

- Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor
- Interconnection Customer secures 100% of financing to construct the Generating Facility and the Interconnection Customer's Interconnection Facilities

~~Participating TO's Delivery Network Upgrades.~~

~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**~~Group 4 Milestones and Decision Point #4~~**

**~~Participating TO Milestone~~**

- ~~• Participating TO commences construction of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades~~

**~~Interconnection Customer Milestone~~**

- ~~• Interconnection Customer commences construction of the Generating Facility and the Interconnection Customer's Interconnection Facilities~~

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within thirty (30) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 5 Milestones and Decision Point #5**

**Participating TO Milestone**

- ~~Participating TO energizes the Participating TO's Reliability Network Upgrades, enabling Commercial Operation of the Generating Facility~~

**Interconnection Customer Milestone**

- ~~Interconnection Customer achieves Initial Synchronization Date~~
- ~~Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of the entire Generating Facility~~

~~DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 6 Milestones**

**Participating TO Milestone**

**Interconnection Customer Milestone**

- Participating TO submits the CPCN application at the CPUC for the Participating TO's Delivery Network Upgrades, obtains required permits and approvals and constructs Participating TO's Delivery Network Upgrades

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- The Participating TO has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance the Participating TO's Delivery Network Upgrades.~~

~~If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:~~

- ~~1) Confirm its commitment to finance the Participating TO's Delivery Network Upgrades (but have no obligation to do so).~~
- ~~2) Discontinue its commitment to finance the Participating TO's Delivery Network Upgrades, in which case the Participating TO's Delivery Network Upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.~~
- ~~3) Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement.~~
- ~~4) Terminate the LGIA, subject to the termination provisions in the LGIA and Section 12(f) of Appendix A.\*~~
- ~~5) Other actions mutually agreeable to both parties.~~

~~The Participating TO will provide written notification to the Interconnection Customer of the option selected.~~

~~\*The termination provisions provided above (option 4) are in addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

*Table 2B—The Interconnection Customer has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:~~

- ~~1) Continue to develop its Generating Facility (but have no obligation to do so).~~
- ~~2) Adjust its development milestones in Table 1 above, day-for-day, as appropriate, to the Participating TO's new timetable(s).~~
- ~~3) Terminate this LGIA, subject to termination provisions in the LGIA and Section 12(f) of Appendix A.\*~~
- ~~4) Other actions mutually agreeable to both parties.~~

~~The Interconnection Customer will provide written notification to the Participating TO of the option selected.~~

~~\*The termination provisions provided above (option 3) are in addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~(e) The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 12(d) above, such dispute shall be addressed pursuant to Article 27 of the LGIA.~~

~~(f) If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 12(d) above (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above) by the completion of the corresponding Participating TO milestone, this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each milestone in Table 1 of Section 12(d) shall be extended for each day that Force Majeure delays a Party from achieving such milestone.~~

~~Notwithstanding anything to the contrary in Table 2A under Section 12(d), the Participating TO shall not file to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 12(d) if the Parties reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Participating TO's Delivery Network Upgrades within sixty (60) Calendar Days after the Participating TO's notification of the Participating TO exercising options 2 or 4 of Table 2A under Section 12(d) of Appendix A.~~

~~(g) Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~

~~(h) The Participating TO is under no obligation to finance the cost of any material modifications to the Participating TO's Delivery Network Upgrades described in this Appendix A to the LGIA. The Participating TO's consent to financing the cost of any material modification to the Participating TO's Delivery Network Upgrades is at its sole discretion. In the event that material modifications to the Participating TO's Delivery Network Upgrades result in an increase in the costs of the Participating TO's Delivery Network Upgrades, then the Parties agree to enter into good faith negotiations to amend this LGIA, as necessary, in order to reflect the financing responsibilities for the increased costs associated with the material modification to the Participating TO's Delivery Network Upgrades.~~

~~(i) The Participating TO shall use Reasonable Efforts to file with FERC for the Abandoned Plant Approval within sixty (60) Calendar Days of execution and filing of this LGIA.~~

~~(j) Upon the Participating TO's receipt of Abandoned Plant Approval, subject to the terms and conditions of this LGIA, the Participating TO shall commence design, engineering, permitting, procurement and construction of, the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades, provided that the Interconnection Customer has given its authorization to start work under this LGIA and that Credit Support for the authorized work has been provided.~~

### ~~13. Supplemental Billing and Payment Provisions:~~

~~(a) Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Distribution Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(b) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Section 13.(b)(i) and 13.(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(c) Commencing on or following the Distribution Upgrades Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Distribution Upgrades Charge. The Distribution Upgrades Charge payments shall initially be based on the estimated Distribution Upgrades Cost for the applicable Distribution Upgrades, as specified in Section 14 of this Appendix A,~~

~~and such payments shall be subject to later adjustment pursuant to Section 13.(c)(i) and 13.(c)(ii). The Distribution Upgrades Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) If the amounts paid for the Distribution Upgrades Charge are less than the amounts due for the Distribution Upgrades Charge as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) If the amounts paid for the Distribution Upgrades Charge are greater than the amounts due for the Distribution Upgrades Charge as determined from the actual recorded Distribution Upgrades Cost for the applicable Distribution Upgrades, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(d) In the event that any portion of Participating TO's Interconnection Facilities or Distribution Upgrades is not complete but, at the request of Interconnection Customer, Participating TO commences interconnection service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge and Distribution Upgrades Charge commencing on the date that such service commences.~~

~~(e) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

- ~~(ii) Except as provided in Section 7(d) above, if certain Participating TO's Interconnection Facilities and Distribution Upgrades are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost or the Distribution Upgrades Cost, the Interconnection Facilities Charge and Distribution Upgrades Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost and Distribution Upgrades Cost.~~
- ~~(iii) Except as provided in Section 7(d) above, if Capital Additions result in an increase in the Interconnection Facilities Cost or Distribution Upgrades Cost, then the Interconnection Facilities Charge and Distribution Upgrades Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(f) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(g) If, in accordance with the removal of the Participating TO's Interconnection Facilities and Distribution Upgrades specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal~~

~~Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

- ~~(h) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~
- ~~(i) In accordance with the Letter Agreement, this LGIA will supersede the Letter Agreement following the Effective Date. Interconnection Customer's deposits made pursuant to the Letter Agreement will be credited to the amounts due under this LGIA.~~

**14. Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, Participating TO's Delivery Network Upgrades and Distribution Upgrades Cost Summary:**

(a) Estimated Cost:

Element	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost(*)	Distribution Upgrades Cost	One-Time Cost	Total	ITCC (estimated tax liability)
Transmission: Cool Water-Kramer No.1 T/L— Loop-in to Lockhart Sub	\$ 3,304,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,304,000	\$ 1,156,400
Transmission: Alpha and Beta 220kV GenTie Lines — Rack spans into Lockhart Sub	\$ 334,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 334,000	\$ 116,900
Substation: Lockhart Install new 220kV substation, install RTU; PSC; install temporary power service for construction	\$ 14,936,000	\$ 0	\$ 0	\$ 0	\$ 3,808,000	\$ 18,744,000	\$ 5,227,600
Substation: Cool Water G.S.— Replace 4 220kV CB; upgrade line protection; replace RTU; PSC	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 182,000	\$ 4,182,000	\$ 1,400,000
Substation: Kramer— Replace 4 220kV CB upgrade line protection; install SPS relays; replace RTU; PSC	\$ 3,301,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,301,000	\$ 1,155,350

Substation: Kramer— Replace 1-115kV CB upgrade line protection; install SPS relays	\$0	\$1,140,000	\$0	\$0	\$0	\$1,140,000	\$0
Substation: Lugo— Install CTs, SPS relays; replace RTU; PSC	\$0	\$2,272,000	\$0	\$0	\$0	\$2,272,000	\$0
Substation: Victor— Install SPS relays; replace RTU; PSC	\$0	\$766,000	\$0	\$0	\$0	\$766,000	\$0
Substation: Tortilla— Construct telecommunications room	\$484,000	\$0	\$0	\$0	\$0	\$484,000	\$169,400
Distribution: Lockhart Sub—Distribution circuit for station light & power— relocation/reconductor work (Not Subject to Distribution Upgrade Charge)	\$0	\$0	\$0	\$920,000	\$0	\$920,000	\$322,000
Distribution: Lockhart Sub—Distribution circuit for station light & power— new riser pole and underground conduit/cable (Subject to Distribution Upgrade Charge)	\$0	\$0	\$0	\$148,000	\$0	\$148,000	\$51,800
Telecommunications: Tortilla Sub—Install required telecom equipment	\$1,703,000	\$0	\$0	\$0	\$0	\$1,703,000	\$596,050
Telecommunications: Alpha & Beta Sub—Install required telecom	\$1,463,000	\$0	\$0	\$0	\$0	\$1,463,000	\$512,050

equipment							
Telecommunications: Cool Water Sub—Install required telecomm equipment	\$ 1,134,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,134,000	\$ 396,900
Telecommunications: Kramer Sub—Install required telecomm equipment	\$ 475,000	\$ 665,000	\$ 0	\$ 0	\$ 0	\$ 1,140,000	\$ 166,250
Telecommunications: Lugo Sub—Install required telecomm equipment	\$ 0	\$ 912,000	\$ 0	\$ 0	\$ 0	\$ 912,000	\$ 0
Telecommunications: Lockhart Sub—Install required telecomm equipment	\$ 2,064,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,064,000	\$ 722,400
Telecommunications: Victor Sub—Install required telecomm equipment	\$ 0	\$ 674,000	\$ 0	\$ 0	\$ 0	\$ 674,000	\$ 0
Telecommunications: Roadway Sub—Install required telecomm equipment	\$ 0	\$ 46,000	\$ 0	\$ 0	\$ 0	\$ 46,000	\$ 0
Telecommunications: Install new ADSS fiber optic Cable	\$ 6,892,000	\$ 4,804,000	\$ 0	\$ 0	\$ 0	\$ 11,696,000	\$ 2,412,200
Power System Control (PSC): Lockhart Sub— SPS arming program and system test	\$ 166,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 166,000	\$ 58,100
Power System Control: Alpha and Beta Generating Facilities— Install RTUs	\$ 187,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 187,000	\$ 65,450
Corporate Real	\$ 3,531,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,531,000	\$ 1,235,850

Properties (initial interconnection)							
Environmental Health and Safety (initial interconnection only)	\$ 9,389,000	\$ 2,407,000	\$ 0	\$ 0	\$ 0	\$ 11,796,000	\$ 3,286,150
Licensing (initial interconnection only)	\$ 1,284,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,284,000	\$ 449,400
Transmission: Construct new Cool Water-Lugo 220kV Transmission Line	\$ 0	\$ 0	\$ 329,436,000	\$ 0	\$ 0	\$ 329,436,000	\$ 0
Substation: Cool Water – Install 220kV line position to terminate new Cool Water-Lugo T/L; install line protection and SPS relays	\$ 0	\$ 0	\$ 4,395,000	\$ 0	\$ 0	\$ 4,395,000	\$ 0
Substation: Lugo – Install 220kV line position for the new Cool Water-Lugo T/L; install line protection and SPS relays	\$ 0	\$ 0	\$ 3,203,000	\$ 0	\$ 0	\$ 3,203,000	\$ 0
Corporate Real Properties – easements for new Cool Water-Lugo T/L	\$ 0	\$ 0	\$ 6,123,000	\$ 0	\$ 0	\$ 6,123,000	\$ 0
Environmental Health and Safety – new Cool Water-Lugo T/L environmental	\$ 0	\$ 0	\$ 7,171,000	\$ 0	\$ 0	\$ 7,171,000	\$ 0
Licensing – new Cool Water-Lugo T/L	\$ 0	\$ 0	\$ 1,847,000	\$ 0	\$ 0	\$ 1,847,000	\$ 0
Total	\$ 54,647,000	\$ 13,686,000	\$ 352,175,000	\$ 1,068,000	\$ 3,990,000	\$ 425,566,000	\$ 19,500,250

The costs in this Section 14 are shown in nominal dollars.

(\*~~\*) The Delivery Network Upgrades Cost is provided for information only at this time since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Section 12(d) of this Appendix A.~~



**15. Interconnection Facilities Charge and Distribution Upgrades Charge:**

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

Interconnection Facilities Charge Effective Date	Customer-Financed Monthly Rate	Estimated		Actual	
		Estimated Interconnection Facilities Cost	Interconnection Facilities Charge Based on Estimated Cost	Actual Interconnection Facilities Cost	Interconnection Facilities Charge based on actual cost
As of the Interconnection Facilities Completion Date	0.38%	\$ 54,647,000	\$ 207,658.60	{to be inserted after true-up}	{to be inserted after true-up}

(b) Distribution Upgrades Charge = Customer-Financed Monthly Rate x (applicable Distribution Upgrades Cost)

Distribution Upgrades Charge Effective Date	Customer-Financed Monthly Rate	Estimated		Actual	
		Estimated Distribution Upgrades Cost for applicable Distribution Upgrades	Distribution Upgrades Charge Based on Estimated Cost	Actual Distribution Upgrades Cost for applicable Distribution Upgrades	Distribution Upgrades Charge based on actual cost
As of the Distribution Upgrades Completion Date	0.38%	\$ 148,000	\$ 562.40	{to be inserted after true-up}	{to be inserted after true-up}

**16. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades:**

An estimate of the monthly incurred costs is as shown below. [Note: This estimate assumes that no work commences until the Participating TO has received Abandoned Plant Approval, the Interconnection Customer has provided written notice to the Participating TO to proceed and has provided the required security, and work starts by February 1, 2011 to achieve a January 31, 2013 In-Service Date for the Mojave Solar Project.]

Payment Period	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Distribution Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Project Payment	Payment Due Date	ITCC*
1	\$ 78,000	\$ 12,000	\$ 0	\$ 0	\$ 12,000	\$ 102,000	3/1/11	\$ 27,300
2	722,000	133,000	5,000	0	13,000	873,000	4/1/11	254,450
3	1,356,000	269,000	8,000	0	26,000	1,659,000	5/1/11	477,400
4	1,458,000	299,000	13,000	0	36,000	1,806,000	6/1/11	514,850
5	1,574,000	333,000	16,000	0	46,000	1,969,000	7/1/11	556,500
6	1,769,000	368,000	20,000	0	57,000	2,214,000	8/1/11	626,150
7	2,157,000	404,000	23,000	0	67,000	2,651,000	9/1/11	763,000
8	2,270,000	436,000	28,000	0	78,000	2,812,000	10/1/11	804,300
9	2,416,000	478,000	34,000	0	89,000	3,017,000	11/1/11	857,500
10	2,664,000	554,000	49,000	0	107,000	3,374,000	12/1/11	949,550
11	2,832,000	659,000	117,000	0	140,000	3,748,000	1/1/12	1,032,150
12	4,122,000	1,248,000	143,000	0	291,000	5,804,000	2/1/12	1,492,750
13	5,075,000	1,451,000	136,000	0	451,000	7,113,000	3/1/12	1,823,850
14	4,612,000	1,318,000	62,000	0	463,000	6,455,000	4/1/12	1,635,900
15	3,542,000	872,000	57,000	0	409,000	4,880,000	5/1/12	1,259,650
16	2,348,000	646,000	66,000	0	193,000	3,253,000	6/1/12	844,900
17	2,494,000	713,000	79,000	0	185,000	3,471,000	7/1/12	900,550
18	2,801,000	804,000	81,000	0	214,000	3,900,000	8/1/12	1,008,700
19	3,068,000	852,000	74,000	0	250,000	4,244,000	9/1/12	1,099,700
20	2,919,000	819,000	49,000	0	263,000	4,050,000	10/1/12	1,038,800
21	2,136,000	580,000	8,000	0	252,000	2,976,000	11/1/12	750,400
22	1,390,000	291,000	0	0	211,000	1,892,000	12/1/12	486,500
23	713,000	125,000	0	0	118,000	956,000	1/1/13	249,550
24	131,000	22,000	0	0	19,000	172,000	2/1/13	45,850

<b>Total</b>	<b><del>\$ 54,647,000</del></b>	<b><del>\$ 13,686,000</del></b>	<b><del>\$ 1,068,000</del></b>	<b><del>\$ 0</del></b>	<b><del>\$ 3,990,000</del></b>	<b><del>\$ 73,391,000</del></b>		<b><del>\$ 19,500,250</del></b>
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~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Section 12(d) of this Appendix A.~~

~~Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$ 1,068,000~~

~~Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$ 58,637,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$ 13,686,000~~

~~Transmission credits pursuant to Section 8 of this Appendix A = Reliability Network Upgrades Payment + Delivery Network Upgrades Payment = \$ 13,686,000~~

~~\*ITCC will be provided by the Interconnection Customer in accordance with Appendix A, Section 10.~~

## 17. ~~Other Potential Facilities:~~

~~The Interconnection Customer understands and acknowledges that the Interconnection of the Mojave Solar Project is dependent upon certain network and/or distribution upgrades which are currently the cost responsibility of projects ahead of the Mojave Solar Project in the interconnection application queue. In the event (i) a project in the queue ahead of the Mojave Solar Project is withdrawn from the queue, or (ii) it is determined by the Participating TO or the CAISO that some or all of the network and/or distribution upgrades currently assigned to earlier-queued projects are no longer required by such projects, the Interconnection Customer may be responsible for an amount up to the maximum cost exposure of the network and/or distribution upgrades identified in this Appendix A, Section 17. Such additional other potential facilities, network and/or distribution upgrades are taken from the Interconnection Facilities Study report.~~

~~Furthermore, the Interconnection Customer may also be responsible for the cost of any additional facilities or modifications to the Participating TO's electric system required to interconnect the Mojave Solar Project as a result of the termination or amendment of another project's interconnection agreement. The Interconnection Customer's revised cost responsibility for the network and/or distribution upgrades, and for any such additional facilities or modifications, if any, would be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval.~~

~~While the Interconnection Customer is currently responsible for the Network and Distribution Upgrades identified in Sections 2 and 3 of this Appendix A to the LGIA, the Interconnection Customer may be responsible for all or a portion of the following other potential facilities, network and/or distribution upgrades, under the conditions described above.~~

<b>Element</b>	<b>Maximum Cost Exposure-- Other Potential Facilities Cost(*)</b>
<p><del><b>Mira Loma Substation:</b> Upgrade six 50kA 500kV circuit breakers to 63kA rating by replacing the circuit breaker nameplate and obtaining manufacturer certification. Replace twelve 63kA 220kV circuit breakers with new 80kA rated units.</del></p> <p><del>Following the Effective Date of this LGIA, the Participating TO will further evaluate the feasibility of replacing the twelve 63kA 220kV circuit breakers with new 80kA units at Mira Loma Substation. If the Participating TO determines that an alternative mitigation is required, the Participating TO will inform the CAISO and the Interconnection Customer and amend this LGIA accordingly to reflect the alternative scope and estimated cost.</del></p>	<del>\$ 11,091,000</del>

<del><b>Victor Substation:</b> Replace two 20kA 115kV circuit breakers in Positions 2 and 3 with new 40kA rated circuit breakers.</del>	<del>\$ 864,000</del>
<del><b>Vincent Substation:</b> Replace twenty 63kA 220kV circuit breakers with new 80kA rated units.</del>  <del>Following the Effective Date of this LGIA, the Participating TO will further evaluate the feasibility of replacing the twenty 63kA 220kV circuit breakers with new 80kA units at Vincent Substation. If the Participating TO determines that an alternative mitigation is required, the Participating TO will inform the CAISO and the Interconnection Customer and amend this LGIA accordingly to reflect the alternative scope and estimated cost.</del>	<del>\$ 16,175,000</del>
<del><b>Tortilla-Cool Water:</b> Install approximately eleven miles of fiber optic cable between Tortilla Substation and Cool Water Substation and any associated terminal equipment to support line protection and SPS. These facilities would be considered non-CAISO Interconnection Facilities (non-refundable and subject to ITCC)</del>	<del>\$ 1,860,000</del>
<del><b>Lugo Substation:</b> Expand the 220kV switchrack and construct a new relay building.</del>  <del>As a result of the recent withdrawal of the project having CAISO Queue # 89, a restudy will be required to determine if these upgrades at Lugo Substation will be required in addition to the Participating TO's Delivery Network Upgrades identified in Section 2b)(ii) of this Appendix A in order for the Mojave Solar Project to have Full Capacity Delivery Status.</del>	<del>\$ 7,269,000</del>
<del><b>TOTAL</b></del>	<del><b>\$ 37,259,000</b></del>

(\* ) The costs in this Section 17 are shown in nominal dollars.

**Appendix B  
To LGIA**

**Milestones**

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the Effective Date
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval
(c)	Submittal of security for the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval
(e)	Submittal of security for the estimated tax liability to the	Interconnection	Within thirty (30)

	Participating TO pursuant to Article 5.17.3 of the LGIA	Customer	Calendar Days of the Participating TO's receipt of Abandoned Plant Approval
(f)	Completion of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades	Participating TO	Within twenty four (24) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to 2(d) of this Appendix B (estimated date is February 1, 2013)*
(g)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Mojave Solar Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(h)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(i)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation
(j)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications

(k)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Mojave Solar Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date.
(l)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(m)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(n)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
(o)	In-service date of the Mojave Solar Project	Interconnection Customer	Within twenty four (24) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is January 31, 2013)
(p)	Initial Synchronization Date	Interconnection Customer	Within thirty one (31) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to

			proceed pursuant to Section 2(d) of this Appendix B (estimated date is September 1, 2013)
(g)	Trial Operation Begins	Interconnection Customer	Within thirty one (31) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is September 1, 2013)
(f)	Notification of operating communications and notifications information pursuant to Appendix F, of the LGIA	CAISO, Participating TO and Interconnection Customer	Within ten (10) Calendar Days prior to Initial Synchronization Date
(s)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(t)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Mojave Solar Project in accordance with Article 6.1 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date
(u)	Provide written approval to the Interconnection Customer for the operation of the Mojave Solar Project in accordance with Article 6.1 of the LGIA	Participating TO	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date

<del>(v)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>Within thirty four (34) months following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is December 1, 2013)</del>
<del>(w)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>
<del>(x)</del>	<del>Completion of the Participating TO's Delivery Network Upgrades</del>	<del>Participating TO</del>	<del>Within seven (7) years following the Participating TO's receipt of Abandoned Plant Approval and Interconnection Customer's authorization to proceed pursuant to Section 2(d) of this Appendix B (estimated date is February 1, 2018)*</del>

~~\* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service date beyond that specified.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if~~

~~required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

## **Appendix C To LGIA**

### **Interconnection Details**

~~1. **Generating Facility:** All equipment and facilities comprising the Mojave Solar Project generating facility located approximately 5.5 miles north-east of the intersection of California State Highway 58 and Harper Lake Road in the county of San Bernardino, as disclosed by the Interconnection Customer in its Interconnection Request, which consists of the Alpha solar field and generating unit including one (1) solar concentrated Siemens steam turbine rated at 167 MVA (“Alpha Generating Unit”), one (1) 220/13.8kV step-up transformer, meters and metering equipment and appurtenant equipment; and the Beta solar field and generating unit including one (1) solar concentrated Siemens steam turbine rated at 167 MVA (“Beta Generating Unit”), one (1) 220/13.8kV step-up transformer, meters and metering equipment and appurtenant equipment (together, the “Mojave Solar Project” or the “Generating Facility”). The CAISO will issue one resource ID for the Generating Facility. The Generating Facility is limited to a maximum net output of 250 MW to the Lockhart Substation.~~

### ~~2. **Interconnection Customer Operational Requirements:**~~

- ~~(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Mojave Solar Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/Western Electricity Coordinating Council reliability standards and Applicable Reliability Standards.~~
- ~~(b) The Mojave Solar Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~

### ~~3. **Interconnection Principles:**~~

- ~~(a) This LGIA provides for interconnection of a total net capacity of 250 MW, resulting from the interconnection of the Mojave Solar Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new interconnection request in accordance with the terms and conditions of the CAISO Tariff.~~

- ~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Mojave Solar Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures.~~
- ~~(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~
- ~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Mojave Solar Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Mojave Solar Project or the Interconnection Customer's Interconnection Facilities.~~
- ~~(e) The Interconnection Customer shall complete and receive approval for all environmental studies necessary for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA. Interconnection Customer shall include such facilities in all such environmental impact studies, where applicable. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA. If the aforementioned environmental studies and approvals provided by the Interconnection Customer are not sufficient for the Participating TO to obtain the regulatory approvals required for the construction, operation, and maintenance of its facilities, then the Participating TO will prepare, or cause to be prepared, the required supplemental surveys, studies, reports and documentation, and the Interconnection Customer shall pay the Participating TO for such work.~~

~~(f) Following the date the Participating TO's Delivery Network Upgrades are constructed and placed under the operational control of the CAISO, it is expected that the 220kV facilities under the Mojave Solar Project Radial Lines Agreement would be re-classified as part of the CAISO Controlled Grid and, consequently, the Point of Interconnection for the Mojave Solar Project under this LGIA would then become Lockhart Substation. Also, as a result of such change, it is expected that a portion of the Participating TO's Interconnection Facilities at Lockhart Substation may be re-classified as Participating TO's Reliability Network Upgrades. Any such change to the Point of Interconnection or the re-classification of Participating TO's Interconnection Facilities to Participating TO's Reliability Network Upgrades would be documented in an amendment to this LGIA and would be subject to FERC acceptance or approval. In the event such re-classification occurs within fifteen (15) years of the Effective Date of this LGIA, then Participating TO will refund to the Interconnection Customer the estimated net book value of these Participating TO's Interconnection Facilities which are re-classified as Participating TO's Reliability Network Upgrades. The refund shall exclude interest between the time the Participating TO received payment for the re-classified facilities and the time FERC accepts or approves the amended LGIA re-classifying such facilities. Any such refund will be in the form of a single lump sum payment which will be due to the Interconnection Customer within ninety (90) Calendar Days of FERC's acceptance or approval of the amended LGIA.~~

~~(g) The Participating TO will use Reasonable Efforts to provide a monthly progress report to the Interconnection Customer by the 15<sup>th</sup> of each month commencing in the month following Interconnection Customer's submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with Appendix B of this LGIA and continuing through the completion of construction of such facilities. The monthly progress report shall include a status on the Participating TO's Interconnection Facilities, Distribution Upgrades, and the Participating TO's Reliability Network Upgrades identified in Appendix A Section 14, including schedule and costs recorded through the previous month for each element. The progress report shall identify any anticipated changes to the LGIA scope, schedule and costs. The Parties acknowledge that changes to the LGIA scope and cost may be subject to an amendment of the LGIA.~~

#### **~~4. Interconnection Operations:~~**

~~(a) The Interconnection Customer shall cause the Mojave Solar Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO or the CAISO, pursuant to the LGIA, for loss of~~

- generation output when (i) the Mojave Solar Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Interconnection Studies or this LGIA.
- ~~(b) The Interconnection Customer shall cause the Mojave Solar Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~
- ~~(c) Following outages of the Interconnection Facilities or the Mojave Solar Project, the Interconnection Customer shall not energize the Mojave Solar Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~
- ~~(d) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~
- ~~(e) Interconnection Customer has elected for the Mojave Solar Project to have Full Capacity Deliverability Status as such term is defined in the CAISO Tariff. Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, or as otherwise determined by the CAISO, the Mojave Solar Project will have Energy-Only Deliverability Status, as such term is defined in the CAISO Tariff.~~
- ~~(f) Operational studies will be performed by the Participating TO on an as needed basis and at the Interconnection Customer's expense prior to the Mojave Solar Project's Initial Synchronization Date to confirm if any upgrades or replacements identified in Section 17 of Appendix A are required, and, if so, must be placed in service prior to allowing the interconnection and operation of the Mojave Solar Project. In the event that it is determined by the Participating TO that any required upgrades or replacements identified in Section 17 of Appendix A cannot be completed by the Mojave Solar Project Initial Synchronization Date, such date will need to be delayed until the necessary upgrades or replacements have been made. If upgrades or replacements identified in Section 17 of Appendix A are required to be advanced in order to accommodate the Mojave Solar Project Initial Synchronization Date, such advancement shall be addressed in accordance with Section 12.2.2 of the Standard Large Generator Interconnection Procedures.~~

**5. ~~Compliance with Applicable Reliability Standards:~~** ~~The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Mojave Solar Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

## **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 is a part of the LGIA.~~

**[Date]**

~~Mr. Stephen Rutt  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: Abengoa Solar Inc. Mojave Solar Project Electric Generating Unit~~

~~Dear Messrs. Rutt, Kott, and Law:~~

~~On **[Date] Abengoa Solar Inc.** has completed Trial Operation of Mojave Solar Project Unit No. \_\_\_\_\_. This letter confirms that Abengoa Solar Inc. commenced Commercial Operation of Mojave Solar Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.~~

~~Thank you.~~

**[Signature]**

**[Interconnection Customer Representative]**

~~cc: Linda Wright~~

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

<b>CAISO</b>	<b>Participating TO</b>	<b>Interconnection Customer</b>
<del>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</del>	<del>Mr. Scott Frier, COO 13911 Park Ave., Suite 206 Victorville, CA 92392</del>

**2. Operating Communications and Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information within ten (10) Calendar Days prior to the Mojave Solar Project's Initial Synchronization Date:

<b>CAISO</b>	<b>Participating TO</b>	<b>Interconnection Customer</b>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>Operator Name and/or Title: Control Room Operator 24 Hour Telephone: (760) 962-9200</del>
<del>Alternate Phone:</del>		<del>Operation Center Fax. No.: E-mail:</del>

**3. Operational Matters, Force Majeure, and Outage Notices:**

<b>CAISO</b>	<b>Participating TO</b>	<b>Interconnection Customer</b>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Mr. Scott Frier, COO: Phone: (760) 964-3471</del>

~~4. For Emergencies:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Mr. Scott Frier, COO: Phone: (760) 964-3471</del>

~~5. Billing and Payments:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</del>	<del>Mr. Scott Frier, COO 13911 Park Ave., Suite 206 Victorville, CA 92392</del>

~~6. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del><a href="mailto:lwright@caiso.com">lwright@caiso.com</a></del>	<del>Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152</del>	<del>Mr. Scott Frier, COO Phone: (760) 962-9200 Fax: (760) 962-9292 e-mail: <a href="mailto:scott.frier@solar.abengoa.com">scott.frier@solar.abengoa.com</a></del>

~~Execution of the Reliability Management System (“RMS”) Agreement below will be a condition subsequent to execution of this LGIA, and will be required only if the FERC does not approve of the CAISO’s proposal to eliminate the obligation of the Interconnection Customer to execute the RMS Agreement as set forth in Article 9.1 of this LGIA.~~

~~Appendix G  
To LGIA~~

~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
ABENGOA SOLAR INC.~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the “Transmission Operator”) and Abengoa Solar Inc. (the “Generator”).~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~1. PURPOSE OF AGREEMENT~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator’s commitment to comply with certain reliability standards.~~

## ~~2. DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

~~**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.~~

~~**FERC** means the Federal Energy Regulatory Commission or a successor agency.~~

~~**Member** means any party to the WSCC Agreement.~~

~~**Party** means either the Generator or the Transmission Operator and~~

~~**Parties** means both of the Generator and the Transmission Operator.~~

~~**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.~~

~~**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.~~

~~**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.~~

~~**WSCC** means the Western Systems Coordinating Council or a successor entity.~~

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~WSCC Staff means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.~~

### ~~3. TERM AND TERMINATION~~

~~3.1 Term. This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].~~

~~[Note: if the interconnection agreement is not FERC jurisdictional, replace bracketed language with: [on the later of: (a) the date of execution; or (b) the effective date of the WSCC RMS Agreement.]]~~

~~3.2 Notice of Termination of WSCC RMS Agreement. The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~3.3 Termination by the Generator. The Generator may terminate this Agreement as follows:~~

~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~

~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~

~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~3.4 Termination by the Transmission Operator. The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~3.5 Mutual Agreement. This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty-five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~**6. THIRD PARTIES**~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~**7. REGULATORY APPROVALS**~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~**8. NOTICES**~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator:\_\_\_\_\_~~

~~Roni L. Reese  
Sr. Contracts Analyst  
Market and Infrastructure Development  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630  
Phone: (916) 608-7027  
Fax: (916) 608-7292~~

~~Generator:\_\_\_\_\_~~

~~Mr. Scott Frier, COO  
Abengoa Solar Inc.  
13911 Park Ave., Suite 206  
Victorville, CA 92392  
Phone: (760) 962-9200  
Fax: (760) 962-9292~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## ~~9. APPLICABILITY~~

~~This Agreement (including all appendices hereto and, by reference, the WSCC Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## ~~10. AMENDMENT~~

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

## ~~11. INTERPRETATION~~

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References~~

~~to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

## ~~12. PROHIBITION ON ASSIGNMENT~~

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

## ~~13. SEVERABILITY~~

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

## ~~14. COUNTERPARTS~~

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

~~**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.~~

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Abengoa Solar Inc.**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## **Appendix H To LGIA**

**(This Appendix is not applicable to the Mojave Solar Project)**

### **~~INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY~~**

~~Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.~~

#### **~~A. Technical Requirements Applicable to Asynchronous Generating Facilities~~**

##### **~~i. Low Voltage Ride-Through (LVRT) Capability~~**

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

- ~~1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~
  
- ~~2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

- ~~3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~
- ~~4. The Asynchronous Generating Facility is not required to remain on-line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~
- ~~5. The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the the high-voltage transmission system.~~
- ~~6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~
- ~~7. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~
- ~~8. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of July 3, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

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

~~An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this 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 Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.~~

#### ~~**iv. Supervisory Control and Data Acquisition (SCADA) and Automated Dispatch System (ADS) Capability**~~

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

#### ~~**v. Power System Stabilizers (PSS)**~~

~~Power System Stabilizers are not required for Asynchronous Generating Facilities.~~

**Attachment G**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

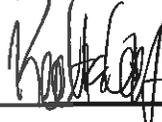
This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 76 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Interconnection Management II, LLC, SCE, and ISO, designated as SCE Service Agreement No. 76

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment H - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1562**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Interconnection Management II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 76.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 76, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment I - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1562**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC, Alta Wind VIII, LLC, and Alta Interconnection Management II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. <b>76</b>.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. <b>76</b>, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)  
AMONG~~

~~ALTA WINDPOWER DEVELOPMENT, LLC  
AND~~

~~ALTA WIND IV, LLC  
AND~~

~~ALTA WIND V, LLC  
AND~~

~~ALTA WIND VIII, LLC  
AND~~

~~ALTA INTERCONNECTION MANAGEMENT II, LLC  
AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY  
AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~CPC EAST PROJECT~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~ALTA WINDPOWER DEVELOPMENT, LLC~~

~~ALTA WIND IV, LLC~~

~~ALTA WIND V, LLC~~

~~ALTA WIND VIII, LLC~~

~~ALTA INTERCONNECTION MANAGEMENT II, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~(“LGIA”) is made and entered into this \_\_\_19th\_ day of \_\_\_April\_\_\_\_\_ 2010, by and among Alta Windpower Development, LLC; Alta Wind IV, LLC; Alta Wind V, LLC; and Alta Wind VIII, LLC, each of which are limited liability companies organized and existing under the laws of the State of Delaware (collectively, the “Interconnection Customer”); Alta Interconnection Management II, LLC, a limited liability company organized and existing under the laws of the State of Delaware, as agent for the Interconnection Customer (the “Manager”); Southern California Edison Company, 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”). The Interconnection Customer, the Manager, the Participating TO, and the 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third-party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third-party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.~~

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~—**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be~~

~~incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

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

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

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

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

~~**2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the~~

lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

### **ARTICLE 3. REGULATORY FILINGS AND 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 G. Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are reasonably required by the Participating TO to assure that the Interconnection Facilities and Stand Alone Network Upgrades are built to the standards and specifications required by the Participating TO.~~

~~**5.3 Liquidated Damages.** The actual damages to the Interconnection Customer, in the event the Participating TO's Interconnection Facilities or Network Upgrades are not~~

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

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7 Work Progress.~~ The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.~~ The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~**ARTICLE 7. METERING**~~

~~**7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2—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.~~

~~**9.3CAISO 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.~~

~~**9.4Interconnection 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.~~

## ~~9.9 Use of Interconnection Facilities by Third Parties.~~

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

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

~~9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~11.5 — **Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~11.6 **Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

By: \_\_\_\_\_ /s/ James A. Kelly \_\_\_\_\_  
\_\_\_\_\_ James A. Kelly

Title: \_\_\_\_\_ Senior Vice President \_\_\_\_\_

Date: \_\_\_\_\_ April 19, 2010 \_\_\_\_\_

**California Independent System Operator Corporation**

By: \_\_\_\_\_ /s/ Keith E. Casey \_\_\_\_\_

Title: Keith E. Casey PhD., Vice President, Market and Infrastructure Development

Date: \_\_\_\_\_ 4-16-10 \_\_\_\_\_

**Alta Windpower Development, LLC**

By: \_\_\_\_\_ /s/ Randall Hoyle \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

Date: \_\_\_\_\_ 4-15-10 \_\_\_\_\_

**Alta Wind IV, LLC**

By: \_\_\_\_\_ /s/ Randall Hoyle \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

Date: \_\_\_\_\_ 4-15-10 \_\_\_\_\_

**Alta Wind V, LLC**

By: \_\_\_\_\_ /s/ Randall Hoyle \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

Date: \_\_\_\_\_ 4-15-10 \_\_\_\_\_

**Alta Wind VIII, LLC**

By: \_\_\_\_\_ /s/ Randall Hoyle \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

Date: \_\_\_\_\_ 4-15-10 \_\_\_\_\_

**Alta Interconnection Management II, LLC**

By: \_\_\_\_\_ /s/ Randall Hoyle \_\_\_\_\_

Title: \_\_\_\_\_ Vice President \_\_\_\_\_

Date: \_\_\_\_\_ 4-15-10 \_\_\_\_\_

## **Appendices to LGIA**

~~Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B Milestones~~

~~Appendix C Interconnection Details~~

~~Appendix D Security Arrangements Details~~

~~Appendix E Commercial Operation Date~~

~~Appendix F Addresses for Delivery of Notices and Billings~~

~~Appendix G Reliability Management System Agreement~~

~~Appendix H Interconnection Requirements for a Wind Generating Plant~~

## **Appendix A To LGIA**

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

#### **1. Interconnection Facilities:**

##### **(a) Interconnection Customer's**

**Interconnection Facilities:** The Interconnection Customer shall:

- Install two 230/34.5 kV collector substations, referred to herein as Substations 3A and 3B. Substation 3A serves the first 270 MW (net) of the CPC East Project ("Phase 1") and Substation 3B serves an additional 280 MW (net) of the CPC East Project ("Phase 2"), resulting in 550 MW (net) of total generating capability for the two phases combined. Each substation includes two 100/133/167 MVA, 230/34.5 kV transformers with one transformer connected to approximately six 34.5 kV distribution feeders and the other connected to approximately seven 34.5 kV distribution feeders.
- Install 230 kV generation tie-lines as shown in Section 6 below.
- Design and install optical ground wire ("OPGW") as part of the construction of the generation tie-lines. A minimum of eight strands within the OPGW shall be provided for the Participating TO's exclusive use to accommodate the CPC East Project.
- Install all required CAISO-approved compliant metering at the CPC East Project in accordance with Article 10 of the CAISO Tariff.
- Install 230 kV revenue quality retail metering units (e.g., potential and current transformers) at the CPC East Project.
- Install one dedicated 125 VDC circuit, one dedicated 115 VAC convenience circuit, and required station interface data connections up to the Participating TO's remote terminal unit ("RTU") located at the CPC East Project.
- Provide sufficient floor space within a secure building having suitable environmental controls for the Participating TO to install and operate one 8-foot high by 19-inch wide communication equipment rack for the Participating TO's RTU. Provide two dedicated 10-amp branch circuits for the rack from the station light and power 125 VDC system.
- Install an optical entrance cable extending the OPGW fiber communications to a patch panel in the Participating TO's communications equipment rack at the Interconnection Customer's Substation 3A.

**(b) Participating TO's Interconnection**

**Facilities:**

The Participating TO shall:

**(i) Windhub Substation — Line Drop:**

- Install new 220 kV switchrack Position No. 10 to terminate the CPC East Project 230 kV generation tie-line. This work includes the Position No. 10 dead-end structure, conductors, and coupling capacitor voltage transformers ("CCVTs").

- Install the following protection relays on the generation tie-line at Position No. 10:

- One General Electric ("GE") D60 relay as "System A" backup protection to the Interconnection Customer's generation protection.

- One Schweitzer SEL-311C relay as "System B" backup protection to the Interconnection Customer's generation protection.

**(ii) CPC East Project 230 kV Generation Tie-Line:**

— Install the transmission line, approximately 1,500 feet, equipped with 2-1590 kcmil ACSR from the Interconnection Customer's dead-end tower located nearest to Windhub Substation to the 220 kV switchrack position at Windhub Substation. This work consists of the following:

**I. Non-Shared Facilities:**

Install four spans of conductors and twenty one dead-end insulator/hardware assemblies between the Interconnection Customer's dead-end tower nearest to Windhub Substation and the Windhub Substation dead-end structure.

**II. Shared Facilities:**

Install three dead-end structures with OPGW. These facilities are expected to be shared with the CPC West project listed at position number 96 in the CAISO Controlled Grid Generation Queue ("CAISO No. 96").

**(iii) Power Systems Control — CPC East Project:**

— Install one RTU at the CPC East Project to monitor the project's generation data. This data shall consist of 1) MW and MVAR per feeder, 2) circuit breaker status per feeder, 3) low-side kV, 4) auxiliary load MW and MVAR, 5) high-side kV, MW, MVAR, and circuit breaker status. Notwithstanding the fact that the RTU at the CPC East Project will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facility will be owned, operated and maintained by the Participating TO.

**~~(iv) Telecommunication – Generation Tie-Line Protection:~~**

- ~~• Install approximately 1,500 feet of optical fiber cable, to be provided by the Interconnection Customer, to extend OPGW from the Interconnection Customer's transmission structure outside of, and nearest to, the Windhub Substation fence into the communication room at Windhub Substation.~~
- ~~• Install one SONET optical multiplex and channel equipment at Windhub Substation and at the CPC East Project Substation 3A.~~
- ~~• Install the communication equipment rack at the Interconnection Customer's facilities as described in Section 1(a) above.~~

~~Notwithstanding the fact that the SONET optical multiplex and channel equipment at the CPC East Project Substation 3A and the communication equipment rack will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.~~

**~~(v) Environmental Permits:~~**

~~Verify the Interconnection Customer's environmental impact report and related documents.~~

**~~2. Network Upgrades:~~**

**~~(a) Stand Alone Network Upgrades:~~** ~~None.~~

**~~(b) Other Network Upgrades:~~**

**~~(i) Participating TO's Reliability Network Upgrades:~~**

~~The Participating TO shall:~~

**~~A. Initial Reliability Network Upgrades (as defined in Section 7 of this Appendix A):~~**

**~~I. Windhub Substation:~~**

- ~~• Install two 220 kV buses for Position Nos. 10 thru 13. (These facilities will also be utilized by CAISO No. 96 if such project proceeds to interconnection.)~~
- ~~• Equip 220 kV Position No. 10 with two 220 kV circuit breakers and four sets of 220 kV disconnect switches to terminate the CPC East Project's generation tie line.~~
- ~~• Equip 220 kV Position No. 13 with three 220 kV circuit breakers and six sets of 220 kV disconnect switches to terminate one generation tie line and the Antelope 500 kV line initially energized at 220 kV.~~

• ~~Install one 12 kV distribution circuit to provide a source of station light and power.~~

**~~II. Antelope Substation:~~**

~~Equip 220 kV Position No. 6 with two 220 kV circuit breakers and four sets of 220 kV disconnect switches to terminate the Antelope-Windhub 500 kV line initially energized at 220 kV.~~

**~~III. Antelope-Windhub 500 kV Transmission Line:~~**

~~Install approximately 26 miles of new 500 kV transmission line initially energized at 220 kV and equipped with 2-2156 kcmil ACSR conductors per phase and OPGW.~~

**~~B. Reliability Network Upgrades beyond the Initial Reliability Network Upgrades specified above:~~**

~~The Network Upgrades comprising the first three segments of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A, excluding those identified in Section 2(b)(i)A above.~~

**~~(ii) Participating TO's Delivery Network Upgrades:~~**

~~The Network Upgrades comprising the fourth through eleventh segments of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A.~~

**~~(c) Affected Systems:~~** ~~None were identified in the CPC East Project's Interconnection Studies.~~

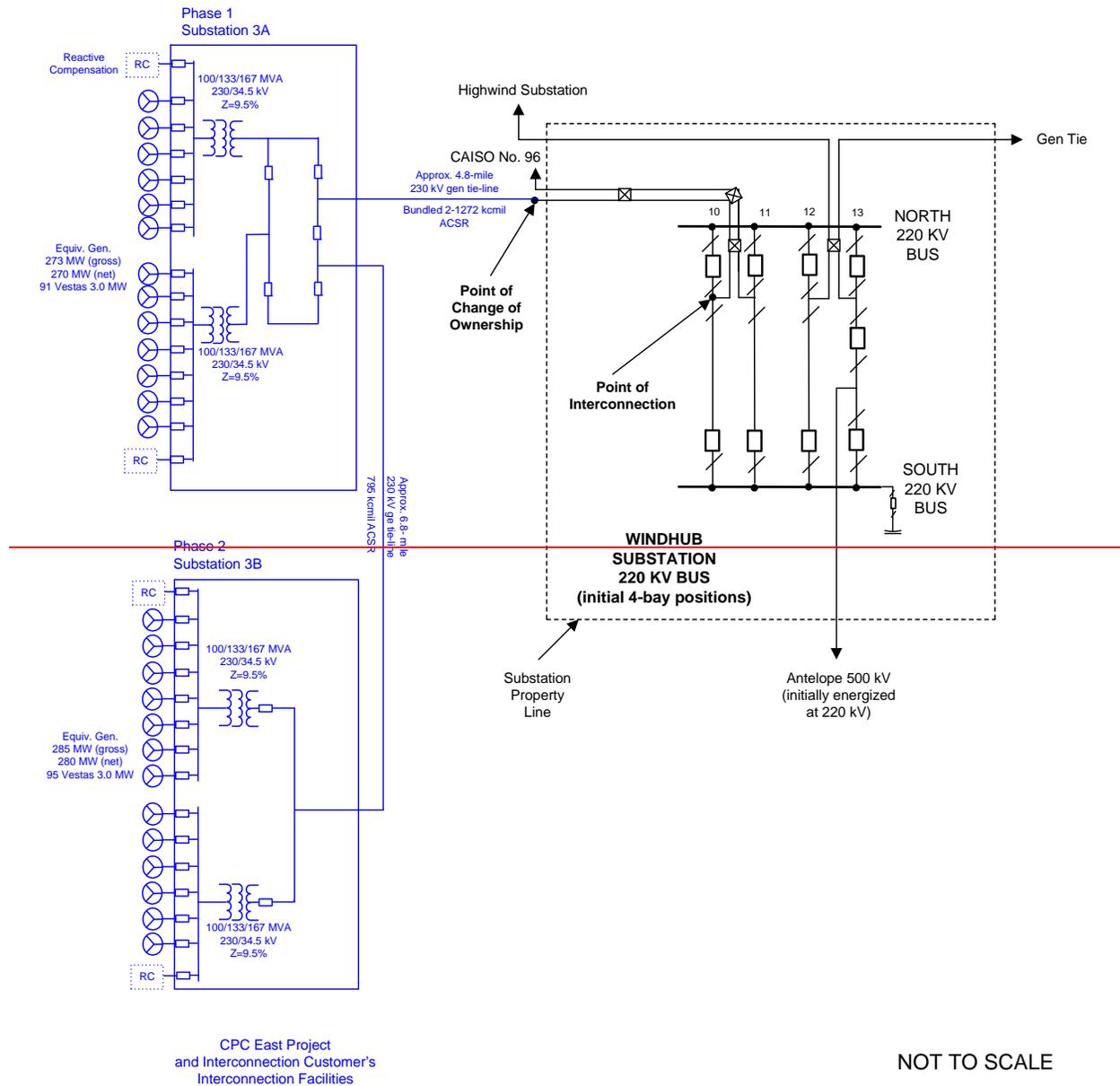
**~~3. Distribution Upgrades:~~** ~~None.~~

**~~4. Point of Change of Ownership:~~**

~~The south facing 220 kV insulator attached to the dead-end tower of the CPC East Project 230 kV generation tie-line located immediately outside the Windhub 220 kV Substation property line. The Interconnection Customer owns the dead-end tower, the conductors and insulators from the dead-end tower to the Interconnection Customer's facilities. The Participating TO owns the conductors and insulators from Windhub Substation to the Interconnection Customer's dead-end tower, and the north-facing insulators and the jumper between the Participating TO's conductor and the Interconnection Customer's conductor.~~

5. ~~Point of Interconnection: The Participating TO's Windhub Substation 220 kV bus.~~

6. ~~One-Line Diagram of Interconnection to Windhub Substation:~~



~~7. **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~(a) **Accounting Practice:** Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(b) **Capital Additions:** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(c) **Co-Tenant:** Co-Tenant shall have the meaning ascribed to such term in Section 6 of Appendix C to this LGIA. The responsibilities of each Co-Tenant are described in such Section 6.~~

~~(d) **Co-Tenancy Agreement:** The Co-Tenancy Agreement shall have the meaning ascribed to such term in Section 6(a) of Appendix C to this LGIA.~~

~~(e) **CPUC:** The California Public Utilities Commission, or its regulatory successor.~~

~~(f) **Credit Support:** Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(g) **Customer-Financed Monthly Rate:** The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(h) Initial Reliability Network Upgrades: The Reliability Network Upgrades specified in Section 2(b)(i)A of this Appendix A required to accommodate the interconnection and operation of the CPC East Project prior to the completion of the Tehachapi Renewable Transmission Project.~~

~~(i) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer Financed Monthly Rate and the Interconnection Customer's share of the Interconnection Facilities Cost. The Interconnection Facilities Charge includes, but is not limited to, the ongoing operation and maintenance, administrative and general expenses, franchise tax, and property tax associated with the Participating TO's Interconnection Facilities. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(j) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(k) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(l) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~

~~(m) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A and is shown in Section 14 of this Appendix A.~~

~~(n) Manager: The Manager shall have the meaning ascribed to such term in the preamble to this LGIA. The responsibilities of the Manager are specified in Section 6 of Appendix C to this LGIA.~~

~~(o) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities or Capital Additions which are not capitalized.~~

~~(p) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(q) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(r) Tehachapi Renewable Transmission Project: The first eleven segments of a series of new and upgraded 220 kV and 500 kV electric transmission lines and substations required to deliver electricity from approximately 4,500 MW of generation in the Tehachapi wind resource area, located within the Participating TO's service territory.~~

~~(s) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. Transmission Credits**: No transmission credits or Congestion Revenue Rights are applicable since this LGIA assumes that the Participating TO will up-front finance the Network Upgrades.~~

~~**9. Security Amount for the Participating TO's Interconnection Facilities**: Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$2,067,000 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~**10. Security Amount for Estimated Tax Liability**: Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

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

~~Estimated tax liability = 35% \* Interconnection Facilities Cost~~

---

~~= \$723,450~~

~~Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit to the amount of \$723,450, pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

**11. ~~Removal from Service of the Participating TO's Interconnection Facilities:~~** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the non-shared Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the non-shared Participating TO's Interconnection Facilities, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

**12. ~~Charges:~~**

(a) ~~The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Interconnection Facilities Payment; (ii) payments for any applicable Capital Additions; (iii) Interconnection Facilities Charge; (iv) any reimbursable FERC fees pursuant to Section 13(g) of this Appendix A; (v) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (vi) termination charges pursuant to Article 2.4 of the LGIA; (vii) disconnection costs pursuant to Article 2.5 of the LGIA; and (viii) suspension costs pursuant to Article 5.16 of the LGIA.~~

(b) ~~The Interconnection Facilities Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

(c) ~~If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

(d) ~~The Participating TO's Interconnection Facilities specified in Section 1(b)(ii)B of this Appendix A are expected to be shared with CAISO No. 96. CAISO No. 96 has agreed to pay the Interconnection Facilities Payment associated with such shared facilities. In the event that CAISO No. 96 is withdrawn or terminated prior to or during the term of this LGIA, the Interconnection Customer may be responsible for up to 100 percent of the Interconnection Facilities Payment and Interconnection Facilities Charge associated with such facilities as identified in Section 1(b)(ii)B of this Appendix A. Such revised charges shall be incorporated in an amendment to the LGIA, subject to FERC's acceptance or approval.~~

**13. Supplemental Billing and Payment Provisions:**

(a) Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment.

(b) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Sections 13(b)(i) and 13(b)(ii) below. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.

(i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.

(ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.

(c) In the event that any portion of Participating TO's Interconnection Facilities is not complete and, at the request of the Interconnection Customer, the Participating TO notwithstanding the uncompleted facilities commences Interconnection Service under this LGIA, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge.

(d) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.

(i) For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written

~~notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) \_\_\_\_\_ Except as provided in Section 7(b) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) \_\_\_\_\_ Except as provided in Section 7(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) \_\_\_\_\_ As soon as reasonably practicable, but within twelve (12) months after the in-service date of any applicable Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the applicable Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the applicable Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) \_\_\_\_\_ If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall~~

~~refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

(g) ~~\_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

**14. Interconnection Facilities Cost Summary:**

(a) Estimated Cost:

Element	Total Cost			CPC East Project Cost Share			
	Interconnection Facilities Cost	One-Time Cost	ITCC	Interconnection Facilities Cost	One-Time Cost	ITCC	Total
<b>Participating TO's Interconnection Facilities</b>							
Windhub Substation – Line Drop	\$733,000	-	\$256,550	\$733,000	-	\$256,550	\$989,550
Generation Tie-Line – Non-Shared Facilities	860,000	-	301,000	860,000	-	301,000	1,161,000
Generation Tie-Line – Shared Facilities <sup>(1)</sup>	2,954,000	-	674,688	-	-	-	-
Power Systems Control	52,000	-	18,200	52,000	-	18,200	70,200
Telecommunication <sup>(2)</sup>	375,000	-	131,250	375,000	-	131,250	506,250
Environmental Permits	47,000	-	16,450	47,000	-	16,450	63,450
<b>Total</b>	<b>\$5,021,000</b>	<b>-</b>	<b>\$1,398,138</b>	<b>\$2,067,000</b>	<b>-</b>	<b>\$723,450</b>	<b>\$2,790,450</b>

Notes:

(1) Cost responsibility per Section 12(d) of Appendix A.

(2) Includes the cost of the optical fiber cable that will be provided by the Interconnection Customer. The Interconnection Facilities Cost for these facilities will be excluded from the true-up of the Interconnection Facilities Payment.



**15. ~~Interconnection Facilities Charge:~~**

~~(a) Interconnection Customer's Share of Participating TO's Interconnection Facilities Cost for the Interconnection Facilities Charge:~~

~~(1) Estimated Cost Share:~~

<b>Element</b>	<b>Total Interconnection Facilities Cost</b>	<b>CPC East Project's Percentage Share</b>	<b>CPC East Project's Share of the Cost of the Interconnection Facilities for the Purposes of Section 15(b) Below</b>
<del>Windhub Substation -- Line Drop</del>	<del>\$733,000.00</del>	<del>100</del>	<del>\$733,000.00</del>
<del>Generation Tie-Line -- Non-Shared Facilities</del>	<del>860,000.00</del>	<del>100</del>	<del>860,000.00</del>
<del>Generation Tie-Line -- Shared Facilities</del>	<del>2,954,000.00</del>	<del>47.83*</del>	<del>1,412,898.20</del>
<del>Power Systems Control</del>	<del>52,000.00</del>	<del>100</del>	<del>52,000.00</del>
<del>Telecommunication</del>	<del>375,000.00</del>	<del>100</del>	<del>375,000.00</del>
<del>Environmental Permits</del>	<del>47,000.00</del>	<del>100</del>	<del>47,000.00</del>
<b>Total</b>	<b>\$5,021,000.00</b>		<b>\$3,479,898.20</b>

Note:

\* These Participating TO Interconnection Facilities are expected to be shared with CAISO No. 96. Under such scenario, the CPC East Project's percentage allocation of the Interconnection Facilities Cost associated with such shared facilities is calculated as follows:

~~CPC East Project contract capacity = 550 MW~~

~~CAISO No. 96 contract capacity = 600 MW~~

~~Percentage share for CPC East Project = 550 MW / (600 MW + 550 MW) \* 100% = 47.83%~~



(b) ~~Interconnection Facilities Charge = Customer-Financed Monthly Rate x (Interconnection Customer's share of the Interconnection Facilities Cost)~~

		<b>Estimated</b>		<b>Actual</b>	
<b>Effective Date</b>	<b>Customer-Financed Monthly Rate</b>	<b>CPC-East Project's Share of the Interconnection-Facilities Cost</b>	<b>Interconnection-Facilities Charge</b>	<b>CPC-East Project's Share of the Actual-Cost of the Interconnection-Facilities Cost</b>	<b>Interconnection-Facilities Charge</b>
On and after the Interconnection-Facilities Completion Date	0.38%	\$3,479,898.20	\$13,223.61	{to be inserted after true-up}	{to be inserted after true-up}

**16. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities:**

Pursuant to Item 2(f) of Appendix B, the Participating TO estimates that the Participating TO's Interconnection Facilities will be completed within twelve (12) months after receipt of the authorization to proceed. The Participating TO, however, agrees to make Reasonable Efforts to complete the Participating TO's Interconnection Facilities prior to the twelve (12) month estimate, if feasible. The estimate of the monthly incurred costs to be paid by the Interconnection Customer provided in the table below is based on the Participating TO's Interconnection Facilities being placed in service by October 31, 2010.

Payment Period	Interconnection Facilities Cost	One-Time Cost	Interconnection Facilities Payment	Due Date
1	\$150,000	-	\$150,000	5/1/10
2	200,000	-	200,000	6/1/10
3	250,000	-	250,000	7/1/10
4	350,000	-	350,000	8/1/10
5	450,000	-	450,000	9/1/10
6	450,000	-	450,000	10/1/10
7	217,000	-	217,000	11/1/10
<b>Total</b>	<b>\$2,067,000</b>	-	<b>\$2,067,000</b>	

~~17. **Other Potential Facilities:** The CAISO and the Participating TO have determined that there are no distribution upgrades or network upgrades currently assigned to any queued project(s) that would become the cost responsibility of the Interconnection Customer in the event such project(s) is withdrawn from the queue or its Standard Large Generator Interconnection Agreement is terminated.~~

**Appendix B  
To LGIA**

**Milestones**

1. ~~\_\_\_\_\_ The Interconnection Customer's Selected Option:~~ Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

2. ~~\_\_\_\_\_ Milestone Dates:~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submittal of proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of security for the Participating TO's Interconnection Facilities to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date

(f)	Completion of the Participating TO's Interconnection Facilities and Initial Reliability Network Upgrades	Participating TO	Within twelve (12) months of receipt of written authorization to proceed as specified in Item 2(b) above*
(g)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the CPC East Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date of each phase of the CPC East Project
(h)	Submittal of initial information which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, including manufacturer information in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation of Phase 1
(i)	Submittal of updated information by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation of each phase of the CPC East Project
(j)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications
(k)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the CPC East Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date of each phase of the CPC East Project

(l)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(m)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date of each phase of the CPC East Project
(n)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date of each phase of the CPC East Project
(o)	Notification of operating communications and notifications information pursuant to Appendix F of the LGIA	CAISO, Participating TO and Interconnection Customer	Prior to Initial Synchronization Date of Phase 1
(p)	In-Service Date for each phase of the CPC East Project	Interconnection Customer	Phase 1 (270 MW): 10/31/2010**  Phase 2 (280 MW): 10/31/2011
(q)	Initial Synchronization Date for each phase of the CPC East Project	Interconnection Customer	Phase 1: 11/30/2010**  Phase 2: 11/30/2011
(r)	Trial Operation period begins for each phase of the CPC East Project		Phase 1: 12/15/2010**  Phase 2: 12/15/2011
(s)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date of each phase of the CPC East Project
(t)	Testing of the Participating TO's Interconnection Facilities and testing of the Interconnection Customer's Interconnection Facilities and the CPC East Project in accordance with Article 6.1 of	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date of each phase of the CPC East Project

	the LGIA		
(u)	Provide written approval to the Interconnection Customer for the operation of the CPC East Project in accordance with Article 6.1 of the LGIA	Participating TO	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date of each phase of the CPC East Project
(v)	Commercial Operation Date	Interconnection Customer	Phase 1: 02/15/2011** Phase 2: 02/15/2012
(w)	Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO	Interconnection Customer	Within one hundred twenty (120) Calendar Days after the Commercial Operation Date of Phase 1, or Phase 2, as applicable, unless otherwise agreed
(x)	In-service date of all Network Upgrades	Participating TO	2/7/2015*

~~\* Note: The Interconnection Customer understands and acknowledges that such milestone due dates are the Participating TO's best estimates and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service dates beyond those specified.~~

~~\*\* Note: The Interconnection Customer acknowledges that pursuant to the Participating TO's estimated completion dates for the Participating TO's Interconnection Facilities, the Interconnection Customer's desired dates for Phase 1 may not be met.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestone due dates for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone due dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone due dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the CPC East Project may require re-evaluation due to the~~

~~suspension of the project and changes to the Participating TO's electrical system or addition of new generating resources.~~

## ~~Appendix C To LGIA~~

### ~~Interconnection Details~~

~~Oak Creek Energy Systems, Inc. submitted an Interconnection Request, dated February 14, 2006 on behalf of Tehachapi Holdings LLC (the "IR") to the CAISO for the interconnection of the CPC East Project pursuant to Section 3.5 of the LGIP. The IR identified Tehachapi Holdings LLC as the Interconnection Customer, which subsequently transferred its interest in the IR to Alta Windpower Development, LLC on May 29, 2009 pursuant to an assignment agreement. As a result, Alta Windpower Development, LLC replaced Tehachapi Holdings LLC as the Interconnection Customer.~~

~~1. **Generating Facility:** All equipment and facilities comprising the 550 MW (net) wind generating facility that consists of ninety-one (91) Vestas wind turbine generators ("WTG") each rated at 3.0 MW in Phase 1 with a net output of 270 MW and ninety-five (95) Vestas WTG, each rated at 3.0 MW in Phase 2 with a net output of 280 MW, including the power factor equipment, meters and metering equipment and appurtenant equipment located in various sections in Townships 10N and 11N in Ranges 13W and 14W in SBB&M, Mojave, California (the "CPC East Project").~~

~~2. **Interconnection Customer Operational Requirements:**~~

~~(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the CPC East Project and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.~~

~~(b) The CPC East Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~

**3. ~~Interconnection Principles:~~**

~~(a) This LGIA provides Interconnection Service for delivery of a maximum capacity of 550 MW (net), resulting from the interconnection of the CPC East Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new application in accordance with the terms and conditions of the CAISO Tariff.~~

~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the CPC East Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. The CAISO has determined that no mitigation measures have been identified in the CPC East Project's Interconnection Studies to third party transmission systems resulting from the interconnection of the CPC East Project to the Participating TO's electrical system.~~

~~(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the CPC East Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the CPC East Project or the Interconnection Customer's Interconnection Facilities.~~

~~(e) The Participating TO's approval process specified in Article 6.1 of the LGIA will include verification that the required low-voltage ride-through and power factor correction equipment, if any, pursuant to the CPC East Project's Interconnection System Impact Study and Appendix H of this LGIA, have been installed and are in operational condition.~~

**4. ~~Interconnection Operations:~~**

~~(a) The Interconnection Customer shall cause the CPC East Project to participate in any SPS required to prevent thermal overloads~~

~~and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the CPC East Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS. No SPS was identified as being required for the CPC East Project in the CPC East Project's Interconnection Facilities Study, dated November 3, 2009.~~

~~(b) \_\_\_\_\_ The Interconnection Customer shall cause the CPC East Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols. An operating procedure will be used to trip off the CPC East Project's generation, and that of the other generation projects in the region, in the event that generation is not curtailed in the time allowed by each respective project in accordance with the CAISO's instructions. In the event of non-compliance by one or more generation projects in the region, or for other operating reasons, an automatic congestion management system may be used to trip off generation when the MW's being generated by the CPC East Project and those of other generators exceed the capability of the transmission system equipment installed at that time. Because real-time congestion in the Tehachapi area caused by generation exceeding the transmission capability should be addressed in a systematic and coordinated manner, and because the need for an automatic congestion management system may be triggered by individual generator behavior, such facilities cannot be identified at this time. Should need for these facilities arise, the cost responsibility for these facilities will not be allocated to the Interconnection Customer. However, the CPC East Project may be subject to outages related to the installation, testing, and operation of such facilities at that time.~~

~~(c) \_\_\_\_\_ Following outages of the Interconnection Facilities or the CPC East Project, the Interconnection Customer shall not energize the CPC East Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(d) \_\_\_\_\_ The Interconnection Customer shall comply with all operating protocols and maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~**5. \_\_\_\_\_ Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the CPC East Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the~~

~~Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA.~~

## ~~6. \_\_\_\_\_~~ **Co-Tenancy:**

~~(a) The Interconnection Customer's rights and obligations under this LGIA and certain of the Interconnection Customer's Interconnection Facilities shall be held by Alta Windpower Development, LLC; Alta Wind IV, LLC; Alta Wind V, LLC; and Alta Wind VIII, LLC (each, a "Co-Tenant") as tenants-in-common. Each Co-Tenant owns a discrete number of wind turbine generators and other assets that, collectively, comprise the CPC East Project. The rights and obligations of the Co-Tenants as against each other with respect to certain of the Interconnection Customer's Interconnection Facilities and this LGIA are set forth in the Large Generator Interconnection Agreement Co-Tenancy Agreement, dated as of March 8, 2010, among the Co-Tenants and Alta Interconnection Management II, LLC as the Manager ("Co-Tenancy Agreement").~~

~~(b) Each Co-Tenant shall be jointly and severally liable for all obligations required of the Interconnection Customer set forth in this LGIA, including all affirmative covenants and all monetary obligations, the latter of which includes the financing of all Interconnection Facilities that are required to be financed by the Interconnection Customer in order to accommodate the interconnection of the entire CPC East Project.~~

~~(c) Except as expressly provided in this Section 6(c), there shall be no more than four (4) Co-Tenants comprising Interconnection Customer, and neither Interconnection Customer nor any Co-Tenant may further subdivide in any manner or form its interests in this LGIA. Notwithstanding the foregoing, Alta Windpower Development, LLC (or any successor permitted in accordance with Article 19 of the LGIA) and Alta Wind VIII, LLC may each assign a portion of its rights and obligations in the Interconnection Customer's Interconnection Facilities, and other rights and obligations under this LGIA to an Affiliate for the purpose of developing Phase 2 of the CPC East Project; provided that such assignment otherwise complies with all provisions of this LGIA, including this Section 6, and such Affiliate becomes a party to the Co-Tenancy Agreement and agrees to become a party to this LGIA and otherwise meets all of the requirements of a Co-Tenant under this Section 6. Upon any such assignment in accordance with Article 19 of this LGIA and the Co-Tenancy Agreement, the Affiliate assignee shall be considered a Co-Tenant hereunder. The Interconnection Customer acknowledges that the administrative burden to the CAISO to administer this LGIA would be excessive if the Interconnection Customer or a Co-Tenant were to further subdivide its interests in this LGIA in violation of this Section 6(c) and any such action would be considered a Breach and Default under Article 17 of this LGIA, entitling the CAISO to terminate this LGIA in accordance with such Article 17. The Parties acknowledge that Interconnection Customer and each Co-Tenant may assign its rights in the Interconnection Customer's~~

~~Interconnection Facilities and this LGIA for collateral security purposes in accordance with Article 19 of this LGIA.~~

~~(d) No Co-Tenant may assign its interests as tenant-in-common in the Interconnection Customer's Interconnection Facilities, and other rights and obligations under this LGIA, independently of its interest in the CPC East Project. Subject to the foregoing, and subject to the limitations in Section 6(c), the Interconnection Customer may assign its rights and obligations under this LGIA, and each Co-Tenant may assign its rights and obligations under this LGIA, in accordance with Article 19 of the LGIA, provided that such assignment does not result in an increase in the number of Co-Tenants.~~

~~(e) In accordance with the terms of the Co-Tenancy Agreement, the Co-Tenants shall appoint the Manager, who shall have no interest as the Interconnection Customer but shall serve as the Interconnection Customer's authorized agent and representative for purposes of administering this LGIA. The Manager will be a single point of contact for CAISO and Participating TO and will represent Interconnection Customer for notice purposes and all other communications between and among CAISO, Participating TO and Interconnection Customer. All payments, insurance and security to be provided by the Interconnection Customer to the Participating TO or the CAISO pursuant to this LGIA shall be provided only by the Manager on behalf of all Co-Tenants, and any invoices or refunds due to the Interconnection Customer by the Participating TO shall be made only to the Manager on behalf of all Co-Tenants. The Manager shall bear all responsibility for disseminating notices, communications and all interactions among the Co-Tenants, and each Co-Tenant hereby waives any right to individual notice or communication from CAISO or Participating TO. The CAISO and the Participating TO will not be obligated to act on any instructions from a Co-Tenant. The Manager's actions and representations to CAISO and Participating TO shall be binding upon the Interconnection Customer and each individual Co-Tenant. Interconnection Customer and each individual Co-Tenant shall be jointly and severally liable and responsible for the Manager's actions.~~

~~(f) The Parties agree that, for the purposes of this LGIA, the entire 550 MW (net) comprising the CPC East Project shall be considered to be a single Generating Facility. No Co-Tenant may have any expectation that the CAISO will treat any portion of the CPC East Project as a stand-alone Generating Facility or differently from any other portion of the Generating Facility. The Co-Tenants shall act as a single entity in undertaking the obligations of the Interconnection Customer under this LGIA. The CAISO and the Participating TO shall treat all Co-Tenants comprising the Interconnection Customer as a single entity under this LGIA and bear no obligation or responsibility to any individual Co-Tenant. Performance of the Interconnection Customer's obligations under this LGIA shall not be excused by reason of any Co-Tenant's failure to agree with respect to any obligation of the Interconnection Customer hereunder or thereunder.~~

## **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 is a part of the LGIA.~~

~~[Date]~~

~~Mr. Stephen Ruty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: \_\_\_\_\_ CPC East Project  
Dear Messrs. Ruty, Kott, and Law:~~

~~On **[Date]** Alta Windpower Development, LLC; Alta Wind IV, LLC; Alta Wind V LLC; Alta Wind VIII, LLC, collectively the Interconnection Customer, has completed Trial Operation of the CPC East Project, Phase [x], Unit No. \_\_\_\_\_. This letter confirms that the Interconnection Customer commenced Commercial Operation of the CPC East Project, Phase [x], Unit No. \_\_\_\_\_ at the Electric Generating Unit(s), effective as of **[Date plus one day]**.~~

Thank you.

[Signature]

Manager  
[Interconnection Customer Representative]

cc: Linda Wright

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

CAISO	Participating TO	Manager as agent for Interconnection Customer
<p>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630</p>	<p>Southern California Edison Company Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</p>	<p>Alta Interconnection Management II, LLC c/o Terra Gen Power, LLC 565 Fifth Avenue, 27<sup>th</sup> Floor New York, NY 10017 Attn: Sr. Vice President, Wind Generation</p> <p>With copy to: Alta Interconnection Management II, LLC c/o Terra Gen Power, LLC 11452 El Camino Real, Suite 215 San Diego, CA 92130 Attn: Randall Hoyle</p>

~~2. Operating Communications and Notifications:~~

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information prior to the Initial Synchronization Date of each phase:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Southern California Edison Company Grid Control Center/24 Hour Telephone:</del>	<del>Name: Phone:</del>
<del>Alternate Phone:</del>		

~~Operational Matters, Force Majeure, and Outage Notices:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Southern California Edison Company Grid Control Center/24 Hour Telephone:</del>	<del>Alta Interconnection Management II, LLC c/o Terra Gen Power, LLC 565 Fifth Avenue, 27<sup>th</sup> Floor New York, NY 10017 Attn: Sr. Vice-President, Wind Generation</del>

~~For Emergencies:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Alta Interconnection Management II, LLC c/o Terra Gen Operating Company, LLC 10315 Oak Creek Road Mojave, CA 93504 Attn: Vice-President, Operations Phone: (661) 303-1638</del>

**3. Billing and Payments:**

CAISO	Participating TO	Manager as agent for Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Alta Interconnection Management II, LLC c/o Terra Gen Power, LLC 565 Fifth Avenue, 27th Floor New York, NY 10017 Attn: Treasury Manager

**4. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):**

CAISO	Participating TO	Manager as agent for Interconnection Customer
<u><a href="mailto:lwright@caiso.com">lwright@caiso.com</a></u> or <u><a href="mailto:jbrown@caiso.com">jbrown@caiso.com</a></u>	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	<u><a href="mailto:wscobee@terra-genpower.com">wscobee@terra-genpower.com</a></u> ; with a copy to: <u><a href="mailto:emartino@terra-genpower.com">emartino@terra-genpower.com</a></u> ; <u><a href="mailto:dlandon@terra-genpower.com">dlandon@terra-genpower.com</a></u> ; <u><a href="mailto:rhoyle@terra-genpower.com">rhoyle@terra-genpower.com</a></u>

~~Appendix G  
To LGIA~~

~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and~~

~~ALTA WINDPOWER DEVELOPMENT, LLC, ALTA WIND IV, LLC,  
ALTA WIND V, LLC, ALTA WIND VIII, LLC  
(As Co-Tenants pursuant to the Co-Tenancy Agreement, collectively as the  
“Generator”) and~~

~~ALTA INTERCONNECTION MANAGEMENT II, LLC~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the “Transmission Operator”) and Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC and Alta Wind VIII, LLC as Co-Tenants pursuant to the Co-Tenancy Agreement (collectively, the “Generator”) and Alta Interconnection Management II, LLC as the Manager.~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~1. \_\_\_\_\_ PURPOSE OF AGREEMENT~~

The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.

## ~~2.~~ **DEFINITIONS**

In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator, the Manager or the Transmission Operator.

**Parties** means collectively the Generator, the Manager, and the Transmission Operator.

**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.~~

### ~~3. TERM AND TERMINATION~~

~~**3.1 Term.** This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows:~~

- ~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~
- ~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~
- ~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. \_\_\_\_\_ SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~6. **THIRD PARTIES**~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. **REGULATORY APPROVALS**~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing.~~

## ~~8. **NOTICES**~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator: \_\_\_\_\_ Roni L. Reese~~

~~Generator:~~ \_\_\_\_\_

~~Alta Windpower Development, LLC, Alta Wind IV, LLC, Alta Wind V, LLC, and Alta Wind VIII, LLC as Co-Tenants pursuant to Co-Tenancy Agreement (collectively, the Interconnection Customer identified here as the Generator) and Alta Interconnection Management II, LLC as the Manager  
c/o Terra-Gen Power, LLC  
565 Fifth Avenue, 27th Floor  
New York, NY 10017  
Attn: Sr. Vice President, Wind Generation  
Phone: (646) 829-3926  
Fax: (646) 829-3901~~

~~With copy to:~~

~~Manager,  
Alta Interconnection Management II, LLC  
c/o Terra-Gen Power, LLC  
565 Fifth Avenue, 27th Floor  
New York, NY 10017  
Attn: General Counsel  
Phone: (646) 829-3900  
Fax: (646) 829-3901~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## ~~9. \_\_\_\_\_~~ **APPLICABILITY**

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## ~~10. \_\_\_\_\_~~ **AMENDMENT**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified~~

~~shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

~~11. \_\_\_\_\_~~ **INTERPRETATION**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

~~12. \_\_\_\_\_~~ **PROHIBITION ON ASSIGNMENT**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

~~13. \_\_\_\_\_~~ **SEVERABILITY**

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

~~14. \_\_\_\_\_~~ **COUNTERPARTS**

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

~~IN WITNESS WHEREOF~~, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

~~California Independent System Operator Corporation~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

~~Alta Windpower Development, LLC (Co-Tenant)~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

~~Alta Wind IV, LLC (Co-Tenant)~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind V, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind VIII, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Interconnection Management II, LLC (Manager)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## **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. The LVRT standard provides for a transition period standard and a post-transition period standard.

#### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

~~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, etc.) 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 network 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.~~

### ~~Post-transition Period LVRT Standard~~

~~All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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.~~

## ~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) AMONG~~

~~ALTA WIND I, LLC  
AND~~

~~ALTA WIND II, LLC  
AND~~

~~ALTA WIND III, LLC  
AND~~

~~ALTA WIND VI, LLC  
AND~~

~~ALTA INTERCONNECTION MANAGEMENT, LLC  
AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY  
AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~CPC WEST PROJECT~~

Contract Effective Date: \_\_\_\_\_ Tariff  
906.75.0 \_\_\_\_\_ Version Number: 0.0.0  
TOT163 \_\_\_\_\_ Option Code: A

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~~Appendix F Addresses for Delivery of Notices and Billings~~

~~Appendix G Reliability Management System Agreement~~

~~Appendix H Interconnection Requirements for a Wind Generating Plant~~

~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~~~ALTA WIND I, LLC~~~~ALTA WIND II, LLC~~~~ALTA WIND III, LLC~~~~ALTA WIND VI, LLC~~~~ALTA INTERCONNECTION MANAGEMENT, LLC~~~~SOUTHERN CALIFORNIA EDISON COMPANY~~~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~(“LGIA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_, by and among Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, and Alta Wind VI, LLC, each of which are limited liability companies organized and existing under the laws of the State of Delaware, as tenants-in-common (collectively, the “**Interconnection Customer**”), Alta Interconnection Management, LLC, a limited liability company organized and existing under the laws of the State of Delaware, as agent for the Interconnection Customer (the “**Manager**”), Southern California Edison Company, 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**”). The Interconnection Customer, the Manager, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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~~**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.~~

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~~**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~~

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

~~**Interconnection Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection~~

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~~Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.~~

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~—**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.~~

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

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

~~**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.~~

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~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

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~~**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.~~

~~— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 U.~~

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~~**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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be~~

~~incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses 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.~~

~~**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~~

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~~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.~~

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~~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~~

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~~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~~

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~~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.~~

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

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and~~

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~~procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7 Work Progress.~~ The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.~~ The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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

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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.

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~~**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. No as-built drawings will be provided~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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.~~

~~**5.17.4 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.~~

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~~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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~ARTICLE 7. METERING~~

~~**7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 of the CAISO~~

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

~~**9.2 — 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~~

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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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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.~~

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~~**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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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~~

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of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

#### **9.7.4 ~~System Protection and Other Control Requirements.~~**

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

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

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

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

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

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

**9.7.5 Requirements for Protection.** ~~In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit~~

~~breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

## ~~**9.9 Use of Interconnection Facilities by Third Parties.**~~

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

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

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~~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~~

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~~transmission service to a third party and such third party pays for such expenses, the Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of the Participating TO's Interconnection Facilities.~~

## **ARTICLE 11. PERFORMANCE OBLIGATION**

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

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

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

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection~~

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~~Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

~~In addition:~~

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~**11.6 Interconnection Customer Compensation.** If the 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~~

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~~Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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.~~

~~**18.3Insurance.** 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:~~

~~**18.3.1Employer'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.~~

~~**18.3.2Commercial 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.~~

~~**18.3.3Business 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~~

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~~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~~

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~~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~~

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~~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~~

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~~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.~~

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~~**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.~~

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~~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 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~~

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~~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,~~

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~~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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

~~**30.14 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.~~

~~**Southern California Edison Company**~~

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

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

~~Date: \_\_\_\_\_~~

~~**California Independent System Operator Corporation**~~

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

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

~~Date: \_\_\_\_\_~~

~~**Alta Wind I, LLC**~~

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

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

Date: \_\_\_\_\_

**Alta Wind II, LLC**

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

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

Date: \_\_\_\_\_

**Alta Wind III, LLC**

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

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

Date: \_\_\_\_\_

**Alta Wind VI, LLC**

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

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

Date: \_\_\_\_\_

**Alta Interconnection Management, LLC**

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

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

Date: \_\_\_\_\_

**Appendices to LGIA**

~~Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B Milestones~~

~~Appendix C Interconnection Details~~

~~Appendix D Security Arrangements Details~~

~~Appendix E Commercial Operation Date~~

~~Appendix F Addresses for Delivery of Notices and Billings~~

~~Appendix G Reliability Management System Agreement~~

~~Appendix H Interconnection Requirements for a Wind Generating Plant~~

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## Appendix A To LGIA

### Interconnection Facilities, Network Upgrades and Distribution Upgrades

#### 3. ~~Interconnection Facilities:~~

##### (a) ~~Interconnection Customer's Interconnection Facilities:~~ The Interconnection Customer shall:

- ~~• Install three 230/34.5 kV collector substations, referred to herein as Substations 4A, 4B and 4C. Substation 4A serves the first 150 MW for the CPC West Project ("Phase 1") and includes one 100/133/167 MVA, 230/34.5 kV transformer connected to eight 34.5 kV distribution feeders. Substation 4B serves an additional 300 MW of the CPC West Project ("Phase 2") and includes two 100/133/167, 230/34.5 kV transformers, each connected to seven 34.5 kV distribution feeders. Substation 4C serves an additional 150 MW for the CPC West Project ("Phase 3") and includes one 100/133/167 MVA, 230/34.5 kV transformer connected to seven 34.5 kV distribution feeders resulting in 600 MW of total generating capability for all three phases combined.~~
- ~~• Install 230 kV generation tie-lines as shown in Section 6 below.~~
- ~~• Design and install optical ground wire ("OPGW") as part of the construction of the generation tie-lines. A minimum of eight strands within the OPGW shall be provided for the Participating TO's exclusive use to accommodate the CPC West Project.~~
- ~~• Install all required CAISO-approved compliant metering at the CPC West Project in accordance with Article 10 of the CAISO Tariff.~~
- ~~• Install 230 kV revenue-quality retail metering units (e.g., potential and current transformers) at the CPC West Project.~~
- ~~• Install one dedicated 125 VDC circuit, one dedicated 115 VAC convenience circuit, and required station interface data connections up to the Participating TO's remote terminal units ("RTUs") located at the CPC West Project.~~
- ~~• Provide sufficient floor space within a secure building having suitable environmental controls for the Participating TO to install and operate one 8-foot high by 19-inch wide communication equipment rack for the Participating TO's RTUs. Provide two dedicated 10-amp branch circuits for the rack from the station light and power 125 VDC system.~~
- ~~• Install an optical entrance cable extending the OPGW fiber communications to a patch panel in the Participating TO's~~

communications equipment rack at the Interconnection Customer's Substations 4A and 4B.

**(b) Participating TO's Interconnection Facilities**

The Participating TO shall:

**(i) Phase 1 Interconnection Facilities**

**A. Windhub Substation – Line Drop:**

- Install new 220 kV switchrack Position No. 11 to terminate the CPC West Project 230 kV generation tie-line. This work includes the Position No. 11 dead-end structure, conductors, and coupling capacitor voltage transformers ("CCVTs").
- Install the following protection relays on the generation tie-line at Position No. 11:
  - One General Electric ("GE") L90 relay as "System A" backup protection to the Interconnection Customer's generation protection.
  - One Schweitzer SEL-311L relay as "System B" backup protection to the Interconnection Customer's generation protection.

**B. CPC West Project 230 kV Generation Tie-Line:**

Install the transmission line, approximately 1,500 feet, equipped with 2-1590 kcmil ACSR from the Interconnection Customer's dead-end tower located nearest to Windhub Substation to the 220 kV switchrack position at Windhub Substation. This work consists of the following:

**III. Non-Shared Facilities:**

Install four spans of conductors and twenty-one dead-end insulator/hardware assemblies between the Interconnection Customer's dead-end tower nearest to Windhub Substation and the Windhub Substation dead-end structure.

**IV. Shared Facilities:**

Install three dead-end structures with OPGW. These facilities are expected to be shared with another project in the queue listed at position number 95 in the California ISO Controlled Grid Generation Queue ("CAISO No. 95").

**C. Power Systems Control – CPC West Project:**

Install one RTU at the CPC West Project Substation 4A to monitor the generation data for Phase 1. This data shall consist of 1) MW and MVAR per feeder, 2) CB status per feeder, 3) low-side kV, 4) auxiliary load MW and MVAR, 5) high-side kV, MW, MVAR, and CB status. Notwithstanding the fact that the RTU will be located on the

~~Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.~~

~~**D. \_\_\_\_\_ Telecommunication – Generation Tie-Line Protection:**~~

~~Install approximately 1,500 feet of optical fiber cable provided by the Interconnection Customer to extend OPGW from the Interconnection Customer's transmission structure outside of, and nearest to, the Windhub Substation fence into the communication room at Windhub Substation. Install one SONET optical multiplex and channel equipment at Windhub Substation and at the CPC West Project Substation 4A. Install the communication equipment rack at the Interconnection Customer's facilities as described in Section 1(a) above. Notwithstanding the fact that the SONET optical multiplex and channel equipment at the CPC West Project substation and the communication equipment rack will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO (except for the optical fiber cable which will be owned by Interconnection Customer, however will be operated and maintained by Participating TO).~~

~~**E. \_\_\_\_\_ Environmental Permits:**~~

~~Verify the Interconnection Customer's environmental impact report and related documents.~~

~~**(ii) \_\_\_\_\_ Phase 2 and 3 Interconnection Facilities**~~

~~**A. \_\_\_\_\_ Power Systems Control – CPC West Project:**~~

~~Install one RTU at the CPC West Project Substation 4B to monitor the generation data for Phases 2 and 3. This data shall consist of 1) MW and MVAR per feeder, 2) CB status per feeder, 3) low-side kV, 4) auxiliary load MW and MVAR, 5) high-side kV, MW, MVAR, and CB status. Notwithstanding the fact that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.~~

~~**B. \_\_\_\_\_ Telecommunication – Generation Tie-Line Protection:**~~

~~Install underground and overhead, as applicable, fiber optical cable between the CPC West Project Substation 4B and Windhub Substation. Install an additional SONET optical multiplex and channel equipment at Windhub Substation and at the CPC West Project Substation 4B for this redundant fiber optical cable. Notwithstanding the fact that fiber cable and the SONET optical multiplex and channel equipment at the CPC West Project substation 4B will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO (except for the optical fiber cable which will be owned by Interconnection Customer, however will be operated and maintained by Participating TO).~~

| 7

**4. ~~Network Upgrades:~~****(d) ~~Stand Alone Network Upgrades:~~** None.**(e) ~~Other Network Upgrades:~~****(ii) ~~Participating TO's Reliability Network Upgrades~~**~~The Participating TO shall:~~**A. ~~Initial Reliability Network Upgrades:~~****I. ~~Windhub Substation:~~**

- ~~• Install two 220 kV buses for Positions 10 thru 13.~~

- ~~• Equip 220 kV Position 11 with two 220 kV circuit breakers and four sets of 220 kV disconnect switches to terminate the CPG West Project's generation tie lines.~~

- ~~• Equip 220 kV Position 13 with three 220 kV circuit breakers and six sets of 220 kV disconnect switches to terminate one generation tie line and the Antelope 500 kV line initially energized at 220 kV.~~

- ~~• Install a 12 kV distribution circuit to provide a source of station light and power.~~

**II. ~~Antelope Substation:~~**

- ~~• Equip 220 kV Position 6 with two 220 kV circuit breakers and four sets of 220 kV disconnect switches to terminate the Antelope-Windhub 500 kV line initially energized at 220 kV.~~

**III. ~~Antelope-Windhub 500 kV Transmission Line:~~**

- ~~• Install approximately 26 miles of new 500 kV transmission line initially energized at 220 kV and equipped with 2-2156 kcmil ACSR conductors per phase and OPGW.~~

**B. ~~Reliability Network Upgrades beyond the Initial Reliability Network Upgrades specified above:~~**

~~The Network Upgrades comprising the first three segments of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A, excluding those identified in Section 2(b)(i)(A) above.~~

**(iii) ~~Participating TO's Delivery Network Upgrades:~~**

~~The Network Upgrades comprising the fourth through eleventh segments of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A.~~

~~(f) Affected Systems: None were identified in the CPC West Project's Interconnection Studies.~~

~~13. Distribution Upgrades: None.~~

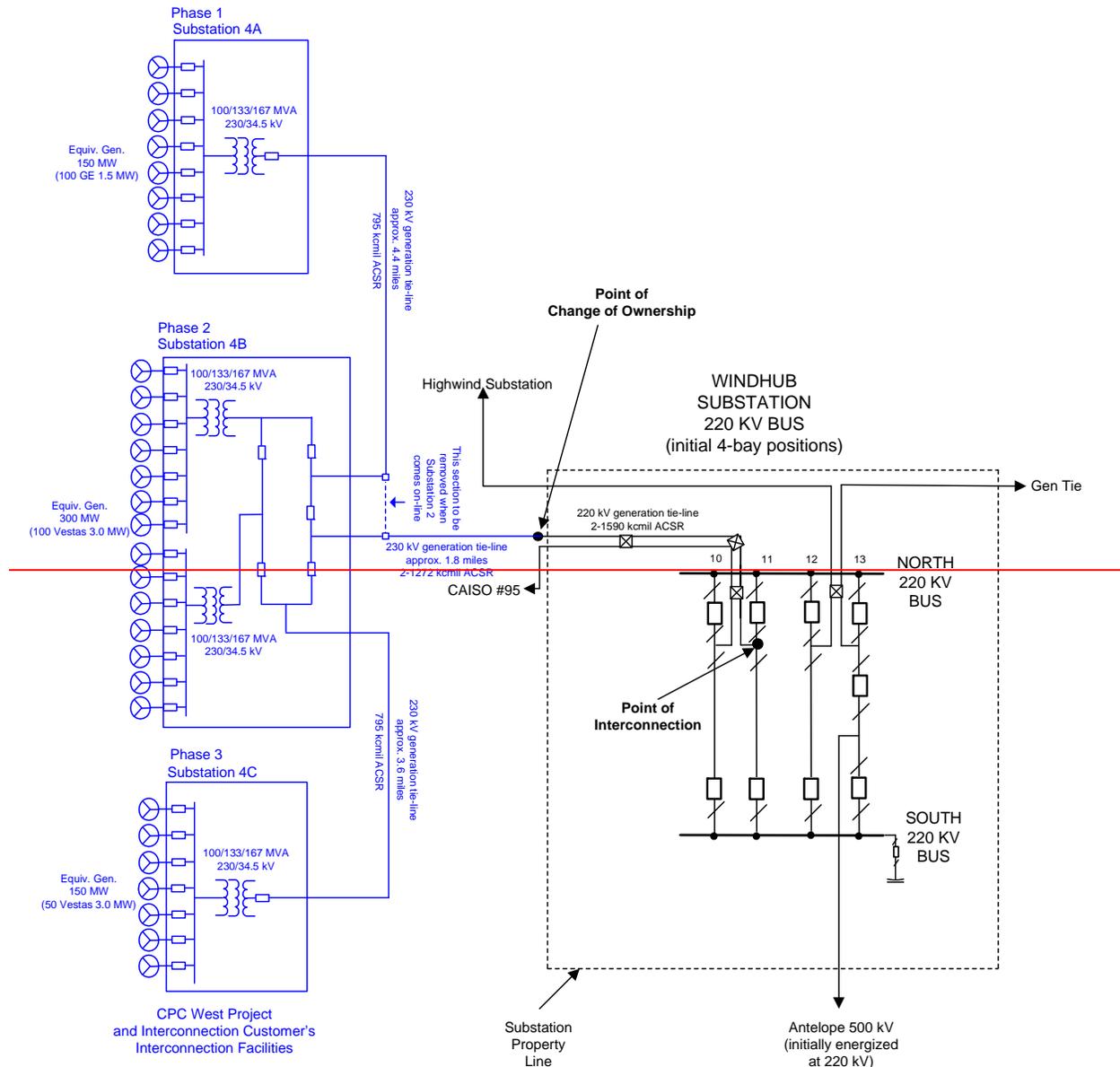
~~14. Point of Change of Ownership:~~

~~The south-facing 220 kV insulator attached to the dead-end tower of the CPC West Project 230 kV generation tie-line located immediately outside the Windhub 220 kV Substation property line. The Interconnection Customer owns the dead-end tower, the conductors and insulators from the dead-end tower to the Interconnection Customer's facilities. The Participating TO owns the conductors and insulators from Windhub Substation to the Interconnection Customer's dead-end tower, and the north-facing insulators and the jumper between the Participating TO's conductor and the Interconnection Customer's conductor.~~

~~15. Point of Interconnection: The Participating TO's Windhub Substation 220 kV bus.~~

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**16. One-Line Diagram of Interconnection to Windhub Substation:**



NOT TO SCALE

~~17. **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~(a) **Accounting Practice:** Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(b) **Capital Additions:** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(c) **Co-Tenant:** Co-Tenant shall have the meaning ascribed to such term in Section 6 of Appendix C to this LGIA. The responsibilities of each Co-Tenant are described in such Section 6.~~

~~(d) **Co-Tenancy Agreement:** The Co-Tenancy Agreement shall have the meaning ascribed to such term in Section 6(a) of Appendix C to this LGIA.~~

~~(e) **CPUC:** The California Public Utilities Commission, or its regulatory successor.~~

~~(f) **Credit Support:** Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(g) **Customer-Financed Monthly Rate:** The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(h) Initial Reliability Network Upgrades: The Reliability Network Upgrades specified in Section 2(b)(i)(1) of this Appendix A required to accommodate the interconnection and operation of the CPC West Project prior to the completion of the Tehachapi Transmission Project.~~

~~(i) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge includes, but is not limited to, the ongoing operation and maintenance, administrative and general expenses, franchise tax, and property tax associated with the Participating TO's Interconnection Facilities. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(j) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(k) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~

~~(l) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A and is shown in Section 14 of this Appendix A.~~

~~(m) Letter Agreement: The agreement executed between Alta Windpower Development, LLC and the Participating TO on July 2, 2009, and designated as Service Agreement No. 67 under the Participating TO's Transmission Owner Tariff, to expedite the engineering, design, procurement of materials and equipment for, and construction of, the Phase 1 Interconnection Facilities.~~

~~(n) Manager: The Manager shall have the meaning ascribed to such term in the preamble to this LGIA. The responsibilities of the Manager are specified in Section 6 of Appendix C to this LGIA.~~

~~(o) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities or Capital Additions which are not capitalized.~~

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~~(p) Phase 1 Interconnection Facilities: The Participating TO's Interconnection Facilities specified in Section 1(b)(i) of this Appendix A required to accommodate the interconnection and operation of Phase 1 of the CPG West Project.~~

~~(q) Phase 1 Interconnection Facilities Completion Date: The date upon which the construction of the Phase 1 Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(r) Phase 2 and 3 Interconnection Facilities: The Participating TO's Interconnection Facilities specified in Section 1(b)(ii) of this Appendix A that are required in addition to the applicable Phase 1 Interconnection Facilities to accommodate the interconnection and operation of Phases 2 and 3 of the CPG West Project.~~

~~(s) Phase 2 and 3 Interconnection Facilities Completion Date: The date upon which the construction of the Phase 2 and 3 Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(t) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(u) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(v) Tehachapi Renewable Transmission Project: The first eleven segments of a series of new and upgraded 220 kV and 500 kV electric transmission lines and substations required to deliver electricity from approximately 4,500 MW of generation in the Tehachapi wind resource area, located within the Participating TO's service territory.~~

~~(w) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. Transmission Credits**: No transmission credits or Congestion Revenue Rights are applicable since this LGIA assumes that the Participating TO will up-front fund the Network Upgrades.~~

~~**9. Security Amount for the Participating TO's Interconnection Facilities**: Pursuant to Article 11.5 and Appendix B of the~~

~~LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$1,354,000 to cover the remaining costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~**10. Security Amount for Estimated Tax Liability:** The Interconnection Customer has provided a letter of credit in the amount of \$1,022,560 to cover the Interconnection Customer's estimated tax liability for the scope of work performed by the Participating TO pursuant to the terms of the Letter Agreement. Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~Estimated tax liability = ITCC~~

~~\_\_\_\_\_ = \$1,022,560 + \$473,900~~

~~\_\_\_\_\_ = \$1,496,460~~

~~Based upon the estimated tax liability, the Interconnection Customer shall increase its current letter of credit to the amount of \$1,496,460, pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

~~**11. Removal from Service of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the non-shared Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the non-shared Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

~~**12. Charges:**~~

~~(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Interconnection Facilities Payment; (ii) payments for any applicable Capital Additions; (iii) Interconnection Facilities Charge; (iv) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (v) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (vi) termination charges pursuant to Article 2.4 of the~~

~~LGIA; (vii) disconnection costs pursuant to Article 2.5 of the LGIA; and (viii) suspension costs pursuant to Article 5.16 of the LGIA.~~

~~(b) \_\_\_\_\_ The Interconnection Facilities Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~(c) \_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

~~(d) \_\_\_\_\_ The Participating TO's Interconnection Facilities specified in Section 1(b)(i)B.II of this Appendix A are expected to be shared with CAISO No. 95. In the event that CAISO No. 95 is withdrawn or terminated prior to or during the term of this LGIA, the Interconnection Customer may be responsible for up to 100 percent of the Interconnection Facilities Charge associated with such facilities identified in Section 1(b)(i)B.II of this Appendix A. Such revised charges shall be incorporated in an amendment to the LGIA, subject to FERC's acceptance or approval.~~

#### ~~14. \_\_\_\_\_ Supplemental Billing and Payment Provisions:~~

~~(e) \_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment.~~

~~(f) \_\_\_\_\_ Pursuant to Article 10.5 of the LGIA, commencing on or following the Phase 1 Interconnection Facilities Completion Date and the Phase 2 and 3 Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Sections 13(b)(i) and 13(b)(ii) below. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) \_\_\_\_\_ If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would~~

~~have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) \_\_\_\_\_ If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(g) \_\_\_\_\_ In the event that any portion of Participating TO's Interconnection Facilities is not complete and, at the request of the Interconnection Customer, the Participating TO notwithstanding the uncompleted facilities commences Interconnection Service under this LGIA, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge.~~

~~(h) \_\_\_\_\_ In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(iv) \_\_\_\_\_ For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(v) \_\_\_\_\_ Except as provided in Section 7(b) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(vi) \_\_\_\_\_ Except as provided in Section 7(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) \_\_\_\_\_ As soon as reasonably practicable, but within twelve (12) months after the in-service date of any applicable Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the~~

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~~Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the applicable Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the applicable Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) \_\_\_\_\_ If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(g) \_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

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**16. Interconnection Facilities Cost Summary:**  
**(a) Estimated Cost:**

<b>Element</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>ITCC<sup>(1)</sup></b>	<b>Total</b>
<b>Participating TO's Interconnection Facilities</b>				
Windhub Substation — Line Drop	\$708,000	-	\$161,706	\$869,706
Generation Tie-Line — Non-Shared Facilities	845,000	-	192,106	1,037,996
Generation Tie-Line — Shared Facilities <sup>(2)</sup>	2,954,000	-	674,688	3,628,688
Power Systems Control — Phase 1	52,000	-	11,877	63,877
Power Systems Control — Phases 2 & 3	52,000	-	18,200	70,200
Telecommunication — Phase 1 <sup>(3)</sup>	363,000	-	82,908	445,908
Telecommunication — Phases 2 & 3	981,000	-	343,350	1,324,350
Environmental Permits	47,000	-	10,735	57,735
<b>Total</b>	<b>\$6,002,000</b>	<b>-</b>	<b>\$1,496,460</b>	<b>\$7,498,460</b>

**Notes:**

(1) An ITCC amount of \$1,022,560 was paid via Letter of Credit under the Letter Agreement at a 22% rate based on a \$4,648,000 estimated Interconnection Facilities Cost. The remaining ITCC amount of \$473,900 will be paid at the then-applicable rate (estimated to be 35%) based on an additional \$1,354,000 estimated Interconnection Facilities Cost.

(2) Total cost of shared facilities

(3) Includes the cost of the optical fiber cable that will be provided by the Interconnection Customer. The Interconnection Facilities Cost for these facilities will be excluded from the true-up of the Interconnection Facilities Payment.

**(b) Actual Cost:**

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

<b>Element</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>ITCC</b>	<b>Total</b>
Participating TO's Interconnection Facilities				
<b>Total</b>				

**17. Interconnection Facilities Charge:**

(a) Interconnection Customer's Share of Interconnection Facilities Cost for the Interconnection Facilities Charge:

(1) Estimated Cost Share:

<b>Element</b>	<b>Total Interconnection Facilities Cost</b>	<b>CPC West Project's Percentage Share</b>	<b>CPC West Project's Share of the Cost of the Interconnection Facilities for the Purposes of Section 15(b) Below</b>
<b>Phase 1 Interconnection Facilities</b>			
Windhub Substation – Line Drop	\$708,000.00	100	\$708,000.00
Generation Tie-Line – Non-Shared Facilities	845,000.00	100	845,000.00
Generation Tie-Line – Shared Facilities	2,954,000.00	52.17*	1,541,101.80
Power Systems Control – Phase 1	52,000.00	100	52,000.00
Telecommunication – Phase 1	363,000.00	100	363,000.00
Environmental Permits	47,000.00	100	47,000.00
<b>Subtotal</b>	<b>\$4,969,000.00</b>		<b>\$3,556,101.80</b>
<b>Phase 2 and 3 Interconnection Facilities</b>			
Power Systems Control – Phases 2 and 3	\$52,000.00	100	\$52,000.00

Telecommunication— Phases 2 and 3	981,000.00	100	981,000.00
<b>Subtotal</b>	<b>\$1,033,000.00</b>		<b>\$1,033,000.00</b>
<b>Total</b>	<b>\$6,002,000.00</b>		<b>\$4,589,101.80</b>

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(b) ~~Interconnection Facilities Charge = Customer-Financed Monthly Rate x (Interconnection Customer's share of the Interconnection Facilities Cost)~~

<del>Effective Date</del>	<del>Customer-Financed Monthly Rate</del>	<del>Estimated</del>		<del>Actual</del>	
		<del>CPC West Project's Share of the Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge</del>	<del>CPC West Project's Share of the Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge</del>
<del>On and after the Phase 1 Interconnection Facilities Completion Date until the Phase 2 and 3 Interconnection Facilities Completion Date</del>	<del>0.38%</del>	<del>\$3,556,101.80</del>	<del>\$13,513.19</del>	<del>[to be inserted after true-up]</del>	<del>[to be inserted after true-up]</del>
<del>On and after the Phase 2 and 3 Interconnection Facilities Completion Date</del>	<del>0.38%</del>	<del>\$4,589,101.80</del>	<del>\$17,438.59</del>	<del>[to be inserted after true-up]</del>	<del>[to be inserted after true-up]</del>

**18. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities:**

An estimate of the monthly incurred costs to be paid by the Interconnection Customer is as shown.

<b>Payment Period</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>Interconnection Facilities Payment</b>	<b>Due Date</b>
1	\$1,600,000	-	\$1,600,000	Paid 7/8/09
2	1,600,000	-	1,600,000	Paid 10/15/09
3	1,448,000	-	1,448,000	Paid 11/04/09
4	140,000	-	140,000	4/1/10
5	180,000	-	180,000	5/1/10
6	230,000	-	230,000	6/1/10
7	270,000	-	270,000	7/1/10
8	270,000	-	270,000	8/1/10
9	180,000	-	180,000	9/1/10
10	84,000	-	84,000	10/1/10
<b>Total</b>	<b>\$6,002,000</b>	<b>-</b>	<b>\$6,002,000</b>	

~~19. **Other Potential Facilities:** The CAISO and the Participating TO have determined that there are no distribution upgrades or network upgrades currently assigned to any queued project(s) that would become the cost responsibility of the Interconnection Customer in the event such project(s) is withdrawn from the queue or its Standard Large Generator Interconnection Agreement is terminated.~~

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## Appendix B To LGIA

### Milestones

~~3. The Interconnection Customer's Selected Option: Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.~~

~~4. Milestone Dates:~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
<del>(a)</del>	<del>Submittal of proof of insurance coverage in accordance with Article 18.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the execution of this LGIA</del>
<del>(b)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Phase 1 Interconnection Facilities to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Authorization already provided with the Letter Agreement</del>
<del>(c)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Phase 2 Interconnection Facilities to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Effective Date</del>
<del>(d)</del>	<del>Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Effective Date</del>
<del>(e)</del>	<del>Submittal of security for the Participating TO's Interconnection Facilities to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Effective Date</del>

(f)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(g)	Completion of the Phase 1 Interconnection Facilities and Initial Reliability Network Upgrades	Participating TO	9/1/2010*
(h)	Completion of the Phase 2 Interconnection Facilities	Participating TO	10/9/2010 if written authorization to proceed in Items 2(c) and 2(d) received by 2/15/2010, with day-for-day delay if received after 2/15/2010*
(i)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the CPC West Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date of each of Phase 1, Phase 2, and Phase 3
(j)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation of each of Phase 1, Phase 2, and Phase 3
(k)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation of each of Phase 1, Phase 2, and Phase 3
(l)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications

(m)	<del>Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the CPC West Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date of each of Phase 1, Phase 2, and Phase 3</del>
(n)	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
(o)	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least three (3) months prior to the Initial Synchronization Date of each of Phase 1, Phase 2, and Phase 3</del>
(p)	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date of each of Phase 1, Phase 2, and Phase 3</del>
(q)	<del>Notification of operating communications and notifications information pursuant to Appendix F of the LGIA</del>	<del>CAISO, Participating TO and Interconnection Customer</del>	<del>Prior to Initial Synchronization Date for Phase 1</del>
(r)	<del>In-Service Date for each phase of the CPC West Project</del>	<del>Interconnection Customer</del>	<del>Phase 1 (150 MW): 7/1/2010**  Phase 2 (300 MW): 7/1/2010**  Phase 3 (150 MW): 7/1/2011</del>
(s)	<del>Initial Synchronization Date for each phase of the CPC West Project</del>	<del>Interconnection Customer</del>	<del>Phase 1: 8/1/2010**  Phase 2: 8/1/2010**  Phase 3: 8/1/2011</del>

(t)	<del>Trial Operation period for each phase of the CPC West Project</del>		<del>Phase 1: 8/15/2010 ** Phase 2: 8/15/2010 ** Phase 3: 8/15/2011</del>
(u)	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date of each of Phase 1 and Phase 2</del>
(v)	<del>Testing of the Participating TO's Interconnection Facilities and testing of the Interconnection Customer's Interconnection Facilities and the CPC West Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date of each of Phase 1 and Phase 2</del>
(w)	<del>Provide written approval to the Interconnection Customer for the operation of the CPC West Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date of each of Phase 1, Phase 2, and Phase 3</del>
(x)	<del>Commercial Operation Date for each phase of the CPC West Project</del>	<del>Interconnection Customer</del>	<del>Phase 1: 11/30/2010 Phase 2: 11/30/2010 Phase 3: 11/30/2011</del>
(y)	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date of each of Phase 1, Phase 2, and Phase 3, unless otherwise agreed</del>
(z)	<del>In-service date of all Delivery Network Upgrades</del>	<del>Participating TO</del>	<del>2/7/2015*</del>

~~\* Note: The Interconnection Customer understands and acknowledges that such milestone due dates are the Participating TO's best estimates and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service dates beyond those specified.~~

~~\*\* Note: The Interconnection Customer acknowledges that pursuant to the Participating TO's estimated completion dates for the Phase 1 Interconnection Facilities and Phase 2 and 3~~

~~Interconnection Facilities, the Interconnection Customer's desired dates cannot be met. The Participating TO agrees to make Reasonable Efforts to complete the Phase 1 Interconnection Facilities and Phase 2 and 3 Interconnection Facilities prior to the estimates provided in Items 2(g) and 2(h) above, if feasible.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestone due dates for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone due dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the CPC West Project may require re-evaluation due to the suspension of the project and changes to the Participating TO's electrical system or addition of new generating resources.~~

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## **Appendix G To LGIA**

### **Interconnection Details**

Oak Creek Energy Systems, Inc submitted an Interconnection Request, dated February 14, 2006 (the "IR") to the CAISO for the interconnection of the CPC West Project pursuant to Section 3.5 of the LGIP. The IR identified Tehachapi Holdings LLC as the Interconnection Customer, which subsequently transferred its interest in the CPC West Project to Alta Windpower Development, LLC on May 29, 2009 pursuant to an assignment agreement. As a result, Alta Windpower Development, LLC replaced Tehachapi Holding, LLC as the Interconnection Customer, which later assigned its rights in the CPC West Project to Alta Wind I, LLC.

**1. \_\_\_\_\_ Generating Facility:** All equipment and facilities comprising the 600 MW wind generating facility that consists of 100 GE wind turbine generators ("WTG") each rated at 1.5 MW in Phase 1; 100 Vestas WTG, each rated at 3.0 MW in Phase 2; and 50 Vestas WTG, each rated 3 MW in Phase 3, including the power factor equipment, meters and metering equipment and appurtenant equipment located in various sections of the site identified as Townships 10N, 11N and 12N in Ranges 13W and 14W (SBB&M), and Township 32S in Range 35E (MDBM), Mojave, California (the "CPC West Project").

**2. \_\_\_\_\_ Interconnection Customer Operational Requirements.**

(a) \_\_\_\_\_ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the CPC West Project and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.

(b) \_\_\_\_\_ The CPC West Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.

**3. ~~Interconnection Principles:~~**

~~(a) This LGIA provides Interconnection Service for delivery of a maximum capacity of 600 MW, resulting from the interconnection of the CPC West Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new application in accordance with the terms and conditions of the CAISO Tariff.~~

~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the CPC West Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. The CAISO has determined that no mitigation measures have been identified in the CPC West Project's Interconnection Studies to third party transmission systems resulting from the interconnection of the CPC West Project to the Participating TO's electrical system.~~

~~(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection Service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the CPC West Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the CPC West Project or the Interconnection Customer's Interconnection Facilities.~~

~~(e) The Participating TO's approval process specified in Article 6.1 of the LGIA will include verification that the required low-voltage ride-through and power factor correction equipment, if any, pursuant to the CPC West Project's Interconnection System Impact Study and Appendix H of this LGIA, have been installed and are in operational condition.~~

**4. ~~Interconnection Operations:~~**

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~~(e) \_\_\_\_\_ The Interconnection Customer shall cause the CPC West Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the CPC West Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS. No SPS was identified as being required for the CPC West Project in the CPC West Project's Revised Interconnection Facilities Study, dated November 6, 2009.~~

~~(f) \_\_\_\_\_ The Interconnection Customer shall cause the CPC West Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols. An operating procedure will be used to trip off the CPC West Project's generation, and that of the other generation projects in the region, in the event that generation is not curtailed in the time allowed by each respective project in accordance with the CAISO's instructions. In the event of non-compliance by one or more generation projects in the region, or for other operating reasons, an automatic congestion management system may be used to trip off generation when the MW's being generated by the CPC West Project and those of other generators exceed the capability of the transmission system equipment installed at that time. Because real-time congestion in the Tehachapi area caused by generation exceeding the transmission capability should be addressed in a systematic and coordinated manner, and because the need for an automatic congestion management system may be triggered by individual generator behavior, such facilities cannot be identified at this time. Should need for these facilities arise, the cost responsibility for these facilities will not be allocated to the Interconnection Customer. However, the CPC West Project may be subject to outages related to the installation, testing, and operation of such facilities at that time.~~

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~~(g) Following outages of the Interconnection Facilities or the CPC West Project, the Interconnection Customer shall not energize the CPC West Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(h) The Interconnection Customer shall comply with all operating protocols and maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~**5. Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the CPC West Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA.~~

~~**6. Co-Tenancy:**~~

~~(a) The Interconnection Customer's rights and obligations under this LGIA and certain of the Interconnection Customer's Interconnection Facilities shall be held by Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, and Alta Wind VI, LLC (each, a "Co-Tenant") as tenants-in-common. Each Co-Tenant owns a discrete number of wind turbine generators and other assets that, collectively, comprise the CPC West Project. The rights and obligations of the Co-Tenants as against each other with respect to certain of the Interconnection Customer's Interconnection Facilities and this LGIA are set forth in the Large Generator Interconnection Agreement Co-Tenancy Agreement, dated as of February 15, 2010, among the Co-Tenants and the Manager ("Co-Tenancy Agreement").~~

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~~(b) Each Co-Tenant shall be jointly and severally liable for all obligations required of the Interconnection Customer set forth in this LGIA, including all affirmative covenants and all monetary obligations, the latter of which includes the financing of all Interconnection Facilities that are required to be financed by the Interconnection Customer in order to accommodate the interconnection of the entire CPC West Project.~~

~~(c) Except as expressly provided in this Section 6(c), there shall be no more than four (4) Co-Tenants comprising Interconnection Customer, and neither Interconnection Customer nor any Co-Tenant may further subdivide in any manner or form its interests in this LGIA. Notwithstanding the foregoing Alta Wind VI, LLC may assign a portion of its rights and obligations in the Interconnection Customer's Interconnection Facilities, and other rights and obligations under this LGIA to one Affiliate for the purpose of developing Phase 3 of the CPC West Project; provided that such assignment otherwise complies with all provisions of this LGIA, including this Section 6, and such Affiliate becomes a party to the Co-Tenancy Agreement and agrees to become a party to this LGIA and otherwise meets all of the requirements of a Co-Tenant under this Section 6. Upon any such assignment in accordance with Article 19 of this LGIA and the Co-Tenancy Agreement, the Affiliate assignee shall be considered a Co-Tenant hereunder. Interconnection Customer acknowledges that the administrative burden to the CAISO to administer this LGIA would be excessive if the Interconnection Customer or a Co-Tenant were to further subdivide its interests in this LGIA in violation of this Section 6(c) and any such action would be considered a Breach and Default under Article 17 of this LGIA, entitling the CAISO to terminate this LGIA in accordance with such Article 17. The Parties acknowledge that Interconnection Customer and each Co-Tenant may assign its rights in the Interconnection Customer's Interconnection Facilities and this LGIA for collateral security purposes in accordance with Article 19 of this LGIA.~~

~~(d) No Co-Tenant may assign its interests as tenant-in-common in the Interconnection Customer's Interconnection Facilities, and other rights and obligations under this LGIA, independently of its interest in the CPC West Project. Subject to the foregoing, and subject to the limitations in Section 6(c), Interconnection Customer may assign its rights and obligations under this LGIA, and each Co-Tenant may assign its rights and obligations under this LGIA, in accordance with Article 19 of the LGIA, provided that such assignment does not result in an increase in the number of Co-Tenants.~~

~~(e) In accordance with the terms of the Co-Tenancy Agreement, the Co-Tenants shall appoint the Manager, who shall have no interest as the Interconnection Customer but shall serve as the Interconnection Customer's authorized agent and representative for purposes of administering this LGIA. The Manager will be a single point of contact for CAISO and Participating TO and will represent Interconnection Customer for notice purposes and all other communications between and among CAISO, Participating TO and Interconnection Customer. All payments, insurance and security to be provided by the Interconnection Customer to the Participating TO or the CAISO pursuant to this LGIA shall be provided only by the Manager on behalf of all Co-Tenants, and any invoices or refunds due to the Interconnection Customer by the Participating TO shall be made only to the Manager on behalf of all Co-Tenants. Manager shall bear all~~

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~~responsibility for disseminating notices, communications and all interactions among the Co-Tenants, and each Co-Tenant hereby waives any right to individual notice or communication from CAISO or Participating TO. The CAISO and the Participating TO will not be obligated to act on any instructions from a Co-Tenant. The Manager's actions and representations to CAISO and Participating TO shall be binding upon the Interconnection Customer and each individual Co-Tenant. Interconnection Customer and each individual Co-Tenant shall be jointly and severally liable and responsible for the Manager's actions.~~

~~(f) The Parties agree that, for the purposes of this LGIA, the entire 600 MW comprising the CPC West Project shall be considered to be a single Generating Facility. No Co-Tenant may have any expectation that the CAISO will treat any portion of the CPC West Project as a stand-alone Generating Facility or differently from any other portion of the Generating Facility. Co-Tenants shall act as a single entity in undertaking the obligations of Interconnection Customer under this LGIA. CAISO and Participating TO shall treat all Co-Tenants comprising the Interconnection Customer as a single entity under this LGIA and bear no obligation or responsibility to any individual Co-Tenant. Performance of the Interconnection Customer's obligations under this LGIA shall not be excused by reason of any Co-Tenant's failure to agree with respect to any obligation of the Interconnection Customer hereunder or thereunder.~~

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**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 is a part of the LGIA.

**[Date]**

Mr. Stephen Rutty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: \_\_\_\_\_ CPG West Project

Dear Messrs. Rutty, Kott, and Law:

On **[Date]**, Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, and Alta Wind VI, LLC, collectively the Interconnection Customer, has completed Trial Operation of the CPG West Project, Phase [x], Unit No. \_\_\_\_\_. This letter confirms that the Interconnection Customer commenced Commercial Operation of the CPG West Project, Phase [x] Unit No. \_\_\_\_\_ at the Electric Generating Unit(s), effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**Manager**  
**[Interconnection Customer Representative]**

cc: Linda Wright

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**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

CAISO	Participating TO	Manager as agent for Interconnection Customer
<p>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630</p>	<p>Southern California Edison Company Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</p>	<p>Alta Interconnection Management, LLC c/o Terra Gen Power, LLC 565 Fifth Avenue, 27<sup>th</sup> Floor New York, NY 10017 Attn: Sr. Vice-President, Wind Generation</p> <p>With copy to: Alta Interconnection Management, LLC c/o Terra Gen Power, LLC 11452 El Camino Real, Suite 215 San Diego, CA 92130 Attn: Randall Hoyle</p>

~~3. Operating Communications and Notifications:~~

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information prior to the Initial Synchronization Date:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Southern California Edison Company Grid Control Center/24 Hour Telephone:</del>	<del>Name: Phone:</del>
<del>Alternate Phone:</del>		

~~Operational Matters, Force Majeure, and Outage Notices:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Southern California Edison Company Grid Control Center/24 Hour Telephone:</del>	<del>Alta Interconnection Management, LLC c/o Terra Gen Power, LLC 565 Fifth Avenue, 27<sup>th</sup> Floor New York, NY 10017 Attn: Sr. Vice President, Wind Generation</del>

~~For Emergencies:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Manager as agent for Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Alta Interconnection Management, LLC c/o Terra Gen Operating Company, LLC 10315 Oak Creek Road Mojave, CA 93501 Attn: Vice President, Operations Phone: (661) 303-1638</del>

**5. Billing and Payments:**

CAISO	Participating TO	Manager as agent for Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Alta Interconnection Management, LLC c/o Terra-Gen Power, LLC 565 Fifth Avenue, 27th Floor New York, NY 10017 Attn: Treasury Manager

**6. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):**

CAISO	Participating TO	Manager as agent for Interconnection Customer
<a href="mailto:lwright@caiso.com">lwright@caiso.com</a> or <a href="mailto:jbrown@caiso.com">jbrown@caiso.com</a>	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	<a href="mailto:wscobee@terra-genpower.com">wscobee@terra-genpower.com</a> ; with a copy to: <a href="mailto:emartino@terra-genpower.com">emartino@terra-genpower.com</a> ; <a href="mailto:dlandon@terra-genpower.com">dlandon@terra-genpower.com</a> ; <a href="mailto:rhoyle@terra-genpower.com">rhoyle@terra-genpower.com</a>

~~Appendix G  
To LGIA~~

~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and~~

~~ALTA WIND I, LLC, ALTA WIND II, LLC, ALTA WIND III, LLC, ALTA WIND VI, LLC  
(As Co-Tenants pursuant to the Co-Tenancy Agreement, collectively as the  
“Generator”) and~~

~~ALTA INTERCONNECTION MANAGEMENT, LLC~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is  
entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between  
California Independent System Operator (the “Transmission Operator”) and Alta Wind I,  
LLC, Alta Wind II, LLC, Alta Wind III, LLC, and Alta Wind VI, LLC as Co-Tenants  
pursuant to the Co-Tenancy Agreement (collectively, the “Generator”) and Alta  
Interconnection Management, LLC as the Manager.~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric  
systems encompassed by the WSCC in a restructured and competitive electric utility  
industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it  
is desirable to have a uniform set of electric system operating rules within the Western  
Interconnection, applicable in a fair, comparable and non-discriminatory manner, with  
which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have  
determined that a contractual Reliability Management System provides a reasonable,  
currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and  
other good and valuable consideration, the receipt and sufficiency of which is hereby  
acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~1. \_\_\_\_\_ PURPOSE OF AGREEMENT~~

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The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.

## ~~2.~~ **DEFINITIONS**

In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator, Manager or the Transmission Operator.

**Parties** means collectively the Generator, Manager and the Transmission Operator.

**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.~~

### ~~3. **TERM AND TERMINATION**~~

~~**3.1 Term.** This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows:~~

~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~

~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~

~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

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#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. \_\_\_\_\_ SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

---

~~5.2 Publication.~~ The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.

~~5.3 Reserved Rights.~~ Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.

## ~~6. THIRD PARTIES~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing.~~

## ~~8. NOTICES~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator: Roni L. Reese~~

~~Generator: \_\_\_\_\_~~

~~Alta Wind I, LLC, Alta Wind II, LLC, Alta Wind III, LLC, and Alta Wind VI, LLC as Co-Tenants pursuant to Co-Tenancy Agreement (collectively, the Interconnection Customer identified here as the Generator) and Alta Interconnection Management, LLC as the Manager~~

~~c/o Terra-Gen Power, LLC~~

~~565 Fifth Avenue, 27th Floor~~

~~New York, NY 10017~~

~~Attn: Sr. Vice President, Wind Generation~~

~~Phone: (646) 829-3926~~

~~Fax: (646) 829-3901~~

~~With copy to:~~

~~Manager,~~

~~Alta Interconnection Management, LLC~~

~~c/o Terra-Gen Power, LLC~~

~~565 Fifth Avenue, 27th Floor~~

~~New York, NY 10017~~

~~Attn: General Counsel~~

~~Phone: (646) 829-3900~~

~~Fax: (646) 829-3901~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

~~**9. \_\_\_\_\_ APPLICABILITY**~~

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

~~**10. \_\_\_\_\_ AMENDMENT**~~

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

~~11. \_\_\_\_\_~~ **INTERPRETATION**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

~~12. \_\_\_\_\_~~ **PROHIBITION ON ASSIGNMENT**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

~~13. \_\_\_\_\_~~ **SEVERABILITY**

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

~~14. \_\_\_\_\_~~ **COUNTERPARTS**

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

---

~~IN WITNESS WHEREOF~~, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind I, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind II, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind III, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Wind VI, LLC (Co-Tenant)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Alta Interconnection Management, LLC (Manager)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## **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. The LVRT standard provides for a transition period standard and a post-transition period standard.

#### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

~~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, etc.) 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 network 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.~~

### ~~Post-transition Period LVRT Standard~~

~~All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 J**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

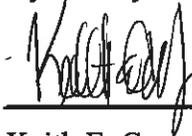
This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 96 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among AV Solar Ranch I, LLC, SCE, and ISO, designated as SCE Service Agreement No. 96

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment K - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1805**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among AV Solar Ranch I, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 96.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 96, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment L - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1805**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among AV Solar Ranch I, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 96.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 96, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

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

**~~AMONG~~**

**~~AV SOLAR RANCH 1, LLC~~**

**~~AND~~**

**~~SOUTHERN CALIFORNIA EDISON COMPANY~~**

**~~AND~~**

**~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~**

**~~(AV Solar One Project)~~**

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Tariff Record Proposed Effective Date: 12/21/2010

Version Number: 0.0.0

Option Code: A

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~~LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~AV SOLAR RANCH 1, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and among AV Solar Ranch 1, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.

**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 Y.~~

~~**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 thirty (30) years from the Effective Date 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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for its share of those charges.~~

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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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. No as-built drawings will be provided.~~

~~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 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-polled 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.** For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.~~

~~**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 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.

**AV Solar Ranch 1, LLC**

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

Title: President

Date: December 1, 2010

**Southern California Edison Company**

By: David Mead

Title: Vice President of Engineering and Technical Services

Date: December 8, 2010

**California Independent System Operator Corporation**

By: Steve Berberich

Title: Vice President & Chief Operating Officer

Date: December 1, 2010

## **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 An Asynchronous Generating Facility~~

## **Appendix A To LGIA**

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

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

#### **1. Interconnection Facilities:**

- (a) **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall:
- (i) Install a new 220 kV generation tie-line from the Generating Facility to the last structure outside the Whirlwind Substation property line. The Interconnection Customer's generation tie-line right-of-way should extend up to the edge of the Whirlwind Substation property line. This generation tie-line line will be called AV Solar One Whirlwind 220kV Transmission Line.
  - (ii) Install optical ground wire ("OPGW") on the AV Solar One Whirlwind 220kV Transmission Line to provide one of the two telecommunication paths required to support the line protection scheme and Remote Terminal Unit ("RTU"). The Interconnection Customer will provide approximately 1,000 feet of optical fiber cable to extend OPGW from the last transmission structure owned by the Interconnection Customer outside of the Whirlwind Substation fence into the communication room at Whirlwind Substation. Participating TO's utility operations shall have exclusive use of eight strands within the OPGW and more than eight strands with the prior written consent of AV Solar.
  - (iii) Make available adequate space and facilities necessary for the installation of the Participating TO's RTU and telecommunication panel to be located at the Generating Facility.
    1. Provide sufficient floor space within a secure building having suitable environmental controls for Participating TO to install and operate one 8' high x19" wide communication equipment rack. This rack will be provided with two dedicated 10-amp branch circuits from the station light and power 125 VDC system.
    2. Provide and bring to the RTU one (1) dedicated 125VDC circuit, one (1) dedicated 115VAC convenient circuit and all station interface wiring.
    3. Provide and install the optical entrance cable from the OPGW to a patch panel in the Participating TO's communications rack at the Large Generating Facility.

- ~~(iv) Install all required CAISO-approved metering equipment at the Generating Facility in accordance with Section 10 of the CAISO Tariff.~~
- ~~(v) Install all Participating TO-required metering equipment (voltage transformers with an accuracy of .3% and current transformers with an accuracy of .15%) which will be used for retail metering at the Generating Facility.~~
- ~~(vi) Install a metering cabinet to house the retail meters in a location that provides Participating TO 24-hour access.~~
- ~~(vii) Install 220kV line protection at the Generating Facility as specified by the Participating TO. This is expected to include the following:
  - ~~1. One G.E. L90 current differential relay with dual dedicated digital communication channels to the Whirlwind Substation.~~
  - ~~2. One SEL 311L current differential relay with dedicated digital communication channel to the Whirlwind Substation that is diverse from the L90 communication channel.~~
  - ~~3. One (1) SEL-2407 satellite-synchronized clock.~~~~

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

~~(i) **AV Solar One-Whirlwind 220 kV Transmission Line:**~~

- ~~1. Install one 220 kV dead-end structure, two spans of conductors and OPGW and twelve dead end insulator / hardware assemblies between the last Interconnection Customer-owned structure on the AV Solar One-Whirlwind 220 kV Transmission Line and the Whirlwind Substation's dead-end rack at the 220 kV switchyard.~~

~~(ii) **Whirlwind Substation:**~~

- ~~1. Install a dedicated double breaker 220 kV line position to terminate the new AV Solar One-Whirlwind 220 kV Transmission Line which will include:
  - ~~a. One 65-foot high by 50-foot wide dead-end structure~~
  - ~~b. Three coupling capacitor voltage transformers with steel pedestal support structures~~
  - ~~c. Three 60-foot line tie-downs with 2-1590 KCMIL ACSR conductors~~
  - ~~d. One GE L90 line current differential relay with telecommunications channel to the Generating Facility via the AV Solar One-Whirlwind 220 kV Transmission Line's OPGW~~
  - ~~e. One SEL-311L line current differential relay with telecommunication channel to the Large Generating Facility that is diverse from the L90 communication channel.~~~~
- ~~2. **Telecommunications:** Install all required light-wave, channel and related terminal equipment to support the AV Solar One-Whirlwind 220 kV Transmission Line protection, SPS, SCADA, and Participating TO's applicable voice and data requirements.~~

~~(iii) **AV Solar One Generating Facility:**~~

- ~~1. **Power System Control:** Install one (1) RTU at the Generating Facility to transmit generator unit gross MW and MVAR, plant auxiliary load, generator status, generator circuit breaker status, generator terminal voltage, and project net MW and MVAR. Notwithstanding that the RTU will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.~~
- ~~2. **Metering Services:** Install revenue meters at the Generating Facility required for metering the retail load at the Generating Facility. Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities.~~
- ~~3. **Telecommunications:** Install all required light wave, channel and related terminal equipment to support the AV Solar One Whirlwind 220 kV Transmission Line protection and SPS. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

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

~~Perform all required functions to obtain easements and/or acquire land, obtain licensing and permits, and perform all required environmental activities for the installation of the approximately 25,000 feet of telecommunication route between the Generating Facility and the Whirlwind Substation and the Participating TO's portion of the AV Solar One Whirlwind 220 kV Transmission Line.~~

~~(v) **Telecommunications:**~~

- ~~1. Install approximately 25,000 feet of 48 strand single mode fiber optic cable from the Whirlwind Substation to the Generating Facility currently planned over existing SCE distribution lines (as currently envisioned).~~
- ~~2. Install approximately 2,000 feet of 1-5" conduit.~~
- ~~3. Install underground vaults, risers, conduits and cable as required to complete all terminations.~~
- ~~4. Install approximately 1,000 feet of optical fiber cable (as provided by the Interconnection Customer in Section 1.a.(ii) of this Appendix A) to extend the OPGW from the first Interconnection Customer-owned transmission structure outside of the Whirlwind Substation fence into the communication room at Whirlwind Substation.~~

## ~~2. Network Upgrades:~~

~~(a) Stand Alone Network Upgrades: None.~~

~~(b) Other Network Upgrades:~~

~~(i) Participating TO's Reliability Network Upgrades:~~

~~1. Whirlwind Substation: The Participating TO shall:~~

~~Equip one 220 kV position at Whirlwind Substation to terminate the generation tie-line. Install the following equipment at the 220 kV Switchyard:~~

- ~~a. Two 3000A — 63kA circuit breakers~~
- ~~b. Four 3000A — 80kA horizontal-mounted group-operated disconnect switches~~
- ~~c. One grounding switch attachment (for lines grounding)~~
- ~~d. Eighteen bus supports with associated steel pedestals~~

~~2. Other Reliability Network Upgrades: The Participating TO shall:~~

- ~~a. Install a Whirlwind AA-bank N-1 SPS~~
- ~~b. Install a Whirlwind 220 kV bus extension~~
- ~~c. Install short-circuit duty ("SCD") mitigation:  
Replace seven circuit breakers and upgrade four circuit breakers to achieve 63 kA rating on overstressed Vincent 500 kV circuit breakers.~~
- ~~d. Power System Controls: Add points at Whirlwind Substation and upgrade existing RTU.~~

~~(ii) Participating TO's Delivery Network Upgrades:~~

- ~~a. Whirlwind Substation: The Participating TO shall install the Whirlwind 2nd and 3rd (3AA and 4AA) transformer banks.~~

~~3. Distribution Upgrades: None~~

~~4. Not Used~~

~~5. Point of Change of Ownership:~~

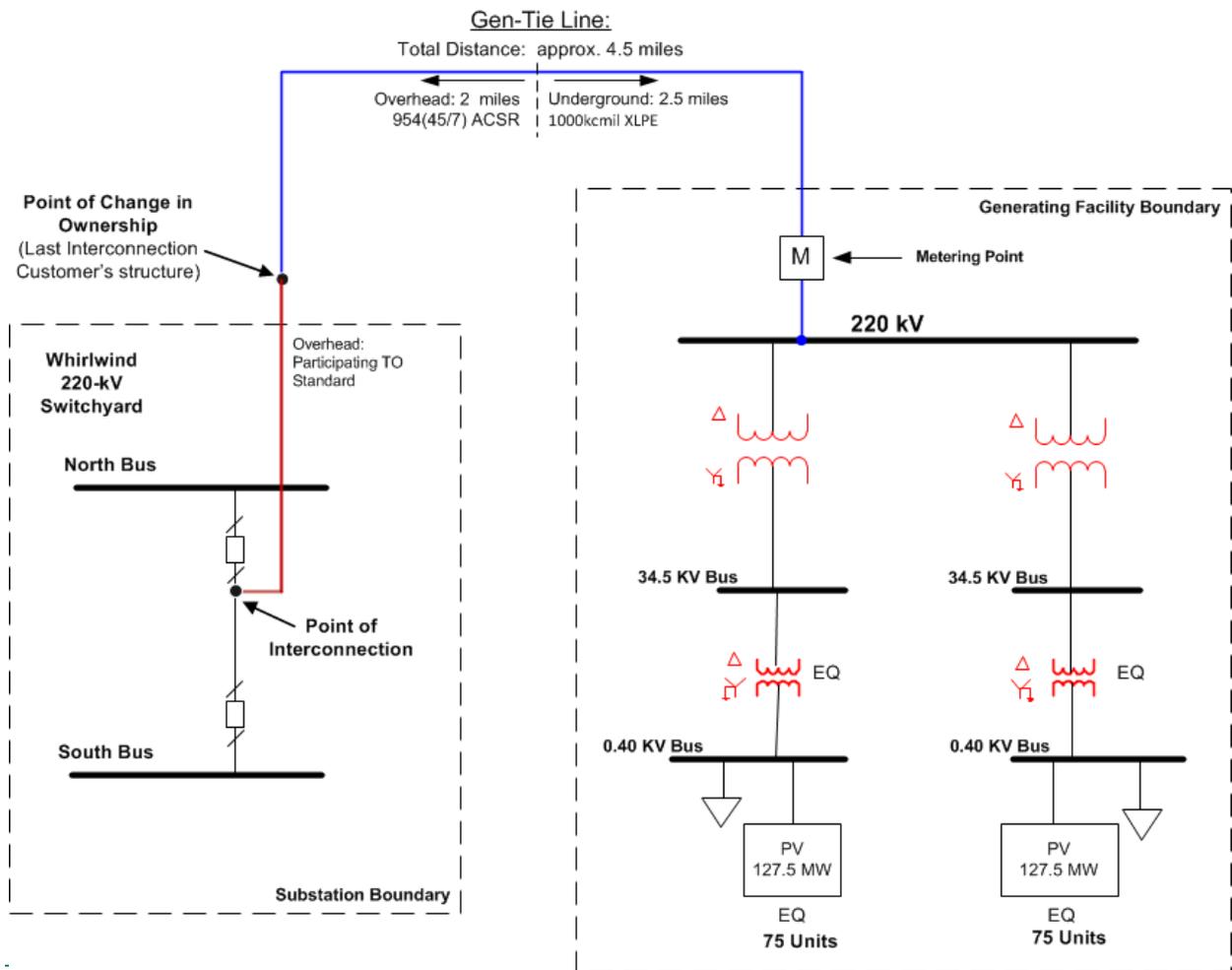
~~(a) AV Solar One-Whirlwind 220 kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the AV Solar One-Whirlwind 220 kV Transmission Line are attached to the first structure located directly outside the Whirlwind Substation property line. This will be the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, including the jumper loop. The Participating TO shall own and maintain the insulators that are used to attach the Participating TO-~~

owned conductors to the Interconnection Customer-owned structure, and all structures and conductors from that point into the Whirlwind Substation.

(b) ~~Telecommunication OPGW: The Point of Change of Ownership shall be the point where the OPGW of the AV Solar One Whirlwind 220kV Transmission Line is attached to the last structure located directly outside the Whirlwind property line.~~

~~6. Point of Interconnection: The Participating TO's Whirlwind Substation at the 220kV bus.~~

~~7. One-Line Diagram of Interconnection to Whirlwind 220 kV Substation:~~



*Note: This one-line diagram depicts technical information known by the Parties as of the date of the execution of this LGIA.*

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

- (a) Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such facilities are abandoned due to circumstances outside of the Participating TO's control.
- (b) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.
- (c) American Recovery and Reinvestment Act ("ARRA"): An act of the United States Government published in 2009 (Pub. L. 111-5) (as the same may be amended or interpreted from time to time).
- (d) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.
- (e) 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
- (f) CPUC: The California Public Utilities Commission, or its regulatory successor.
- (g) Credit Support: A parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.
- (h) Customer Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of

added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Appendix A.

- (i) ~~Davis-Bacon Act: An act of the United States Government identified as 40 United States Code 267a et seq., and related acts and regulations (as the same may be amended or interpreted from time to time).~~
- (j) ~~Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Appendix A.~~
- (k) ~~Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 17 of this Appendix A.~~
- (l) ~~Distribution Upgrades Cost: All costs, excluding ITCC and One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Appendix A.~~
- (m) ~~Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and the associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 17 of this Appendix A.~~
- (n) ~~Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Appendix A.~~
- (o) ~~Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~
- (p) ~~Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Appendix A.~~
- (q) ~~Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Appendix A.~~

- (r) ~~ITCC~~: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Appendix A and is shown in Section 15 of this Appendix A.
- (s) ~~Labor Laws~~: Laws required by the United States Government regarding labor issues, as stated in the Davis-Bacon Act, the Office of Federal Contract Compliance Programs Requirements and any other acts and regulations related thereto (as the same may be amended or interpreted from time to time).
- (t) ~~Letter Agreement~~: The agreement between Interconnection Customer and Participating TO executed on November 22, 2010, Service Agreement No. 92, to advance work on Participating TO's Interconnection Facilities and certain Network Upgrades.
- (u) ~~One-Time Cost~~: All costs determined by the Participating TO associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.
- (v) ~~Reliability Network Upgrades Cost~~: All costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Appendix A.
- (w) ~~Reliability Network Upgrades Payment~~: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 17 of this Appendix A.
- (x) ~~Removal Cost~~: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, or any portion thereof which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.
- (y) ~~Special Protection System ("SPS")~~: A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.
- (z) ~~Units of Property~~: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.

~~9. **Transmission Credits:** Subject to Section 13(d) of this Appendix A, no Congestion Revenue Rights or repayment will be made pursuant to Articles 11.4 and 11.4.1 of the LGIA because this LGIA assumes that the Participating TO will up-front finance the Network Upgrades described in Section 2 of this Appendix A.~~

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

~~(a) **Distribution Upgrades:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$0 (zero dollars) to cover the costs for constructing, procuring and installing the Participating TO's Distribution Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~(b) **Participating TO's Interconnection Facilities:** Interconnection Customer has made an initial posting of Interconnection Financial Security of \$592,600.00. Pursuant to Section 9 of the LGIP, and Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide additional Credit Support to bring the total amount of Interconnection Financial Security at the time of the second posting to \$1,791,900.00 and shall provide additional Credit Support at the time of the third posting to bring the total amount of Interconnection Financial Security to \$5,973,000.00 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities.~~

~~Participating TO shall notify the Interconnection Customer of the date and amount of the third posting of Interconnection Financial Security no less than thirty (30) Calendar Days before the commencement of Construction Activities on Participating TO's Interconnection Facilities. The amount of the required Interconnection Financial Security shall be reduced dollar-for-dollar for payments the Interconnection Customer has made for work on the Participating TO's Interconnection Facilities under the Letter Agreement and this LGIA. Interconnection Financial Security shall not include any Credit Support posted for estimated tax liability.~~

~~The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~(c) **Network Upgrades:** Interconnection Customer made an initial posting of Interconnection Financial Security in the amount of \$5,000,000.00. Until such time as the Participating TO receives Abandoned Plant Approval, Interconnection Customer agrees to maintain its initial posting of the Interconnection Financial Security.~~

~~Pursuant to FERC Order dated August 13, 2010 in Docket: ER10-1656-000, the requirement for the Interconnection Customer to make a second and third~~

~~posting of Interconnection Financial Security, as required under Section 9.3 of the CAISO Tariff, has been waived for Network Upgrades that the Participating TO has agreed to finance (which are identified in Section 2 of this Appendix A). This waiver is applicable only for such period of time as the Participating TO remains responsible for funding the Network Upgrades under this LGIA.~~

~~Pending Abandoned Plant Approval, and while the Participating TO maintains its commitment to finance the Network Upgrades, the Interconnection Customer shall not be required to post the second or third postings of Interconnection Financial Security. Credit Support related to the Network Upgrades shall be released within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval.~~

~~Upon written notice by the Participating TO to the Interconnection Customer that the Participating TO is discontinuing its commitment to finance the Network Upgrades in accordance with Appendix A, Section 13(d), and intends to amend the LGIA to provide for the Interconnection Customer to finance the Network Upgrades, the Interconnection Customer shall provide additional Interconnection Financial Security pursuant to Section 9 of the LGIP and Article 11.5 and Appendix B of the LGIA to cover the costs for constructing, procuring and installing the Network Upgrades. Interconnection Customer shall be required to comply, within no less than sixty (60) Calendar Days, with Section 9.3 of the LGIP requiring posting of Interconnection Financial Security and to provide notice to the Parties of such compliance. If required under this Section 10, the total Interconnection Financial Security at the time of the second posting is \$7,837,500.00 and the total Interconnection Financial Security at the time of the third posting is \$26,125,000.00. The amount of the required Interconnection Financial Security shall be reduced dollar-for-dollar for payments the Interconnection Customer has made for work on the Network Upgrades under the Letter Agreement, except for monies already reimbursed or credited to the Interconnection Customer.~~

~~Prior to Abandoned Plant Approval or in the event that the Interconnection Customer is required to finance its share of the cost of the Network Upgrades, the Participating TO shall not perform any work on the Network Upgrades without Credit Support from the Interconnection Customer sufficient to cover the Interconnection Customer's share of the costs of such work. Participating TO shall have the right to draw upon the Credit Support provided as Interconnection Financial Security for the Interconnection Customer's share of the cost incurred by the Participating TO for the Network Upgrades.~~

~~The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

**11. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:

~~(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1 – Current Tax Rate) = 35%~~

~~Estimated tax liability for Distribution Upgrades = 35% \* Distribution Upgrades Cost = 35% \* (\$0) = \$0~~

~~Estimated tax liability for Participating TO's Interconnection Facilities = 35% \* Interconnection Facilities Cost = 35% \* (\$5,973,000) = \$2,090,550~~

~~Participating TO's Interconnection Facilities Cost = \$5,973,000~~

~~Distribution Upgrades Cost = \$0~~

~~The Interconnection Customer shall provide the Participating TO a letter of credit (or any other collateral instrument) in a form reasonably acceptable to the Participating TO pursuant to Article 5.17.3 and Appendix B of the LGIA. The letter of credit (or other collateral security) shall be increased by the amount and by the date indicated in the Payment Schedule (Appendix A, Section 17) under the column heading "ITCC Posting Requirement".~~

**12. Removal of the Participating TO's Interconnection Facilities:** ~~Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

### **13. Charges:**

~~(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Section 14(g) of this Appendix A; (viii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 12 of this Appendix A; (ix) termination charges pursuant to Article 2.4 of the LGIA; however, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval,~~

~~the Interconnection Customer shall not be responsible for its share of those charges; (x) disconnection costs pursuant to Article 2.5 of the LGIA; and (xi) suspension costs pursuant to Article 5.16 of the LGIA.~~

- ~~(b) The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~
- ~~(c) If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to a need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time subject to FERC's approval.~~
- ~~(d) The Participating TO commits to up-front finance the Network Upgrades and the associated One-Time Cost specifically identified in Section 2 of this Appendix A to the LGIA, contingent upon satisfactory receipt, as determined solely by the Participating TO, of the following:
  - ~~(i) Abandoned Plant Approval, and~~
  - ~~(ii) Continued achievement of development milestones by the Interconnection Customer, as described in Table 1 below.~~~~

~~If the Participating TO has not received Abandoned Plant Approval within six (6) months of applying for such approval, the Participating TO shall have the right to amend this LGIA such that the Interconnection Customer shall be responsible for financing its share of the costs of the Network Upgrades, subject to FERC's acceptance or approval. The Interconnection Customer shall make its election pursuant to Article 11.4 at that time.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>● Participating TO receives Abandoned Plant Approval</li> <li>● Participating TO completes final design and engineering for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>● Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor</li> <li>● Interconnection Customer demonstrates commencement of construction of the Generating Facility and the Interconnection Customer's Interconnection Facilities. Commencement of construction can be demonstrated by providing evidence of notable site preparation and substantial procurement of materials.</li> </ul>
<p><b>DECISION POINT #1:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification or by September 30, 2011, whichever is later. Parties exercise options as outlined in Table 2.</p>	
<b>Group 2 Milestones and Decision Point #2</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>● Participating TO commences construction of the Participating TO's Reliability Network Upgrades</li> </ul>	<ul style="list-style-type: none"> <li>● Interconnection Customer secures 100% of financing to construct the Generating Facility and the Interconnection Customer's Interconnection Facilities</li> </ul>
<p><b>DECISION POINT #2:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within thirty (30) Calendar Days of the Participating TO's notification or by December 31, 2011, whichever is later. Parties exercise options as outlined in Table 2.</p>	

**Group 3 Milestones and Decision Point #3**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Reliability Network Upgrades necessary for Interconnection Customer to interconnect to the Whirlwind Substation (as described in item g.1 of Section 2 of Appendix B) to enable Commercial Operation of the Generating Facility</li> </ul>	<ul style="list-style-type: none"> <li>A. Provide "implementation plan" for Commercial Operation agreeable to Participating TO and the CAISO</li> <li>B. Initial parallel operation of the first block of solar panels of no less than 30 MW of installed capacity</li> <li>C. Commercial Operation of entire Generating Facility</li> </ul>

**DECISION POINT #3:** Following Participating TO's written notification of Participating TO's completion of its Group 3 milestone, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones as follows:

- Milestone A: Within thirty (30) Calendar Days of the Participating TO's notification;
- Milestone B: Within ninety (90) Calendar Days of the Participating TO's notification;
- Milestone C: Within twenty-four (24) months of the Participating TO's notification.

Parties exercise options as outlined in Table 2.

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO:*

~~At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades.~~

~~If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:~~

- ~~1) Confirm its commitment to finance the Network Upgrades (but have no obligation to do so).~~
- ~~2) Discontinue its commitment to finance Interconnection Customer's share of the cost of the Network Upgrades, in which case its share of Network Upgrades cost may then be financed by the Interconnection Customer pursuant to Section 13(h) of Appendix A.~~
- ~~3) Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement.~~
- ~~4) Terminate the LGIA, subject to the termination provisions in the LGIA including Article 2.3, and Sections 13(g) and 13(h) of this Appendix A.~~
- ~~5) Other actions mutually agreeable to both parties.~~

~~If the Participating TO does not exercise any of the options in writing, then it shall be deemed to have elected option 1. If the Participating TO chooses any option other than option 1, the Participating TO shall provide written notice to the Interconnection Customer at least five (5) Business Days before exercising the option.~~

*Table 2B—Interconnection Customer:*

~~At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:~~

- ~~1) Continue to develop its Generating Facility (but have no obligation to do so).~~
- ~~2) Adjust its development milestones in Table 1 above, on a day-for-day basis, as appropriate, to the Participating TO's new timetable(s).~~
- ~~3) Terminate the LGIA, subject to the termination provisions in the LGIA.~~
- ~~4) Other actions mutually agreeable to both parties.~~

~~If the Interconnection Customer does not exercise any of the options in writing, then it shall be deemed to have elected option 1. If the Interconnection Customer chooses any option other than option 1, the Interconnection Customer shall provide written notice to the Participating TO at least five (5) Business Days before exercising the option.~~

~~(e) The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 13(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 13(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 13(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(f) Except for network upgrades that the Participating TO may be required to finance pursuant to the LGIP, the Participating TO is under no obligation to finance other network upgrades if the Network Upgrades identified in Appendix A are modified and such modification results in the Participating TO having to reaffirm Abandoned Plant Approval for the modified Network Upgrades. If the Network Upgrades identified in Appendix A are modified, the Interconnection Customer shall adjust its posting of Interconnection Financial Security to bring it into accordance with the requirements of the Section 9 of the LGIP.~~

~~(g) If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 13(d) above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each~~

~~milestone in Table 1 of Section 13(d) shall be subject to the Force Majeure provisions of this LGIA.~~

- ~~(h) Notwithstanding anything to the contrary in Table 2A under Section 13(d), Interconnection Customer shall not be in Breach of this LGIA, and the Participating TO shall not have the right to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 13(d), provided that the Parties: (i) reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of its share of the costs of the Network Upgrades; and (ii) reach agreement on such amendment within sixty (60) Calendar Days after Participating TO's notification of its having exercised option 2 or 4 under Table 2A of Appendix A. Such amendment shall credit Interconnection Customer for any payments provided for Network Upgrades, Interconnection Facilities and ITCC requirements already made by, and not already reimbursed or credited to, the Interconnection Customer under this LGIA or under the Letter Agreement.~~
- ~~(i) The Participating TO and the Interconnection Customer shall provide the other Parties a monthly status report, including all supporting documentation, regarding (i) in the case of the Participating TO, progress towards obtaining the Abandoned Plant Approval and the Participating TO progress in carrying out the design, procurement and construction of the Participating TO's Interconnection Facilities and the Network Upgrades and (ii) in the case of the Interconnection Customer, progress towards satisfying the milestones in Table 1 of this Appendix A and the Interconnection Customer's progress in carrying out the design, procurement and construction of the Interconnection Customer's Interconnection Facilities and Generating Facility. The Participating TO and the Interconnection Customer agree to provide the other Parties its concurrence or exception to the Party that is claiming to have reached one of its milestones, in accordance with Table 2(A) and Table 2(B).~~
- ~~(j) The Participating TO shall endeavor to file with FERC for Abandoned Plant Approval within sixty (60) Calendar Days of filing of this LGIA.~~
- ~~(k) Each Party shall make Reasonable Efforts to support the other Party's key regulatory processes and filings to achieve the In-Service Date specified in Appendix B.~~
- ~~(l) The Participating TO shall refund the amount received from the Interconnection Customer for Network Upgrades under the Letter Agreement or the LGIA within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval; provided, however, that if Abandoned Plant Approval is not received before the Commercial Operation Date, the Parties agree to amend this LGIA so that (1) the Participating TO reimburses the Interconnection Customer for amounts paid to the Participating TO for costs of Network Upgrades in accordance with Article 11.4.1 of the LGIA and Section 12.3.2 of the LGIP, and~~

~~(2) if Abandoned Plant Approval occurs after the Commercial Operation Date, the Participating TO shall refund the remaining balance within thirty (30) Calendar Days. Such refund shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date of receipt of payment to the date on which the Interconnection Customer receives such refund.~~

~~(m) After Abandoned Plant Approval is obtained, and while Participating TO continues its commitment to finance the Network Upgrades, at no time will the Participating TO require payment from the Interconnection Customer for any Network Upgrades for which Abandoned Plant Approval has been obtained, provided that the costs of such Network Upgrades are incurred while the Interconnection Customer is current with meeting its development milestones pursuant to Section 13(d).~~

~~(n) If by March 31, 2011, FERC has not unconditionally accepted this LGIA, the Interconnection Customer may request that the Participating TO tender a revised version of the LGIA that provides for the Interconnection Customer to finance its share of the cost of Network Upgrades. The Interconnection Customer shall make such a request only if it determines in good faith that it will be necessary for the Interconnection Customer to amend the LGIA to receive financing for the Generating Facility on terms acceptable to the Interconnection Customer. In the event the Interconnection Customer requests tender of a revised version of the LGIA pursuant to this paragraph, the Participating TO shall tender to the Parties the revised version of the LGIA within ten (10) Calendar Days of receipt of the request, or within such other period of time as the Parties may agree. The Parties shall negotiate in good faith with the objective of executing and filing at FERC the amended LGIA no later than thirty (30) Calendar Days after the Interconnection Customer requests a revised version of the LGIA.~~

#### **14. Supplemental Billing and Payment Provisions:**

~~(a) Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(b) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 15 of this Appendix A, and shall be subject to later adjustment pursuant to Section 14(b)(i) and 14(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.~~

- ~~(i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~
  - ~~(ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~
- ~~(c) In the event that any portion of Participating TO's Interconnection Facilities is not complete but, at the request of Interconnection Customer, Participating TO commences interconnection service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~
- ~~(d) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~
- ~~(i) For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~
  - ~~(ii) Except as provided in Section 8(d) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of~~

~~such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) Except as provided in Section 8(d) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 12 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

(g) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.

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

(a) Estimated Cost<sup>(4)</sup>:

Element-	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost <sup>(2)</sup>	Delivery Network Upgrades Cost <sup>(2)</sup>	One-Time Cost	Total Cost	ITCC
Participating TO's Interconnection Facilities	\$5,973,000					\$5,973,000	\$2,090,550
Distribution Upgrades		\$0				\$0	\$0
Reliability Network Upgrades (plan of service)			\$2,745,000			\$2,745,000	\$0
Reliability Network Upgrades			\$2,487,000			\$2,487,000	\$0
Delivery Network Upgrades				\$20,893,000		\$20,893,000	\$0
Total	\$5,973,000	\$0	\$5,232,000	\$20,893,000	\$0	\$32,098,000	\$2,090,550

Notes: 1. All amounts shown are in nominal dollars.

2. Network Upgrades costs are shown for information purposes only since the Participating TO has agreed to finance the Network Upgrades, subject to Section 13 of this Appendix A.

**(b) Actual Cost:**

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

Element-	Interconnection-Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost*	Delivery Network Upgrades Cost*	One-Time Cost	Total-Cost	ITCC
Participating TO's Interconnection Facilities							
Distribution Upgrades							
Reliability Network Upgrades (plan-of service)							
Reliability Network Upgrades							
Delivery Network Upgrades							
Total							

**16. Interconnection Facilities Charge:**

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

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection Facilities Completion Date	0.38%	\$5,973,000.00	\$22,697.40	[to be inserted after true-up]	[to be inserted after true-up]

**17. Payment Schedule:**

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

Payment No.	Payment Due Date	Interconnection Facilities Cost (A)	Network Upgrades Cost (B)	Interconnection Facilities One-Time Cost (C)	Total Payment Amount (K = A + B + C)	ITCC (D) = (A * 35%)	ITCC Posting Requirement †
1	12/1/2010	\$592,600 1st Installment in Letter Agreement *	\$0	\$0	\$592,600	\$207,410 1st Posting Requirement in Letter Agreement *	\$306,810
2	1/1/11	\$284,000	\$0	\$0	\$284,000	\$99,400	\$0
3	2/1/11	\$400,000 2nd Installment in Letter Agreement *	\$0	\$0	\$400,000	\$140,000 2nd Posting Requirement in Letter Agreement *	\$407,050
4	3/1/11	\$372,000	\$0	\$0	\$372,000	\$130,200	\$0
5	4/1/11	\$391,000	\$0	\$0	\$391,000	\$136,850	\$0
6	5/1/2011	\$380,000 3rd Installment in Letter Agreement *	\$0	\$0	\$380,000	\$133,000 3rd Posting Requirement in Letter Agreement *	\$372,750
7	6/1/11	\$354,000	\$0	\$0	\$354,000	\$123,900	\$0
8	7/1/11	\$331,000	\$0	\$0	\$331,000	\$115,850	\$0
9	8/1/11	\$305,000	\$0	\$0	\$305,000	\$106,750	\$363,440
10	9/1/11	\$377,400	\$0	\$0	\$377,400	\$132,090	\$0
11	10/1/11	\$356,000	\$0	\$0	\$356,000	\$124,600	\$0
12	11/1/11	\$293,000	\$0	\$0	\$293,000	\$102,550	\$365,050
13	12/1/11	\$361,000	\$0	\$0	\$361,000	\$126,350	\$0
14	1/1/12	\$389,000	\$0	\$0	\$389,000	\$136,150	\$0
15	2/1/12	\$372,000	\$0	\$0	\$372,000	\$130,200	\$237,650
16	3/1/12	\$237,000	\$0	\$0	\$237,000	\$82,950	\$0
17	4/1/12	\$70,000	\$0	\$0	\$70,000	\$24,500	\$0
18	5/1/12	\$46,000	\$0	\$0	\$46,000	\$16,100	\$37,800
19	6/1/12	\$32,000	\$0	\$0	\$32,000	\$11,200	\$0
20	7/1/12	\$30,000	\$0	\$0	\$30,000	\$10,500	\$0
<b>Totals</b>		<b>\$5,973,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,973,000</b>	<b>\$2,090,550</b>	<b>\$2,090,550</b>

\*Payments under this schedule shall be made in accordance with Section 18 of this Appendix A.

All amounts shown above are in nominal dollars.

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$5,973,000.

Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$0.

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost +

~~associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Network Upgrades, subject to Section 13 of this Appendix A.~~

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Network Upgrades, subject to Section 13 of this Appendix A.~~

~~Credit Support for ITCC shall be provided by the Interconnection Customer in accordance with Appendix A, Section 11.~~

## **18. Additional Payment Terms.**

- ~~(a) Interconnection Customer's payments and requirements to post security for payment of ITCC pursuant to this LGIA shall not begin until acceptance of this LGIA by FERC and termination of the Letter Agreement in accordance with its terms.~~
- ~~(b) No later than fifteen (15) Calendar Days after acceptance of this LGIA by FERC (or, if a compliance filing is required by FERC, no later than fifteen (15) Calendar Days after acceptance of the compliance filing), and termination of the Letter Agreement in accordance with its terms, the Participating TO shall provide the Interconnection Customer with a report (the "Transition Report") in which the Participating TO shall indicate how it intends to apply credit for payments made, and Credit Support posted, by the Interconnection Customer under the Letter Agreement to its corresponding payment and Credit Support obligations pursuant to this LGIA.~~
- ~~(c) No later than fifteen (15) Calendar Days after the Transition Report is received, the Interconnection Customer shall be required to make a one-time transition payment to reconcile the payments made under the Letter Agreement with the payments due under the payment schedule in Section 17 of the LGIA: If at the time that the Interconnection Customer's obligation to make payments under this LGIA begins, the Interconnection Customer has not made payments due under the payment schedule in Section 17 of this Appendix A, the transition payment shall be the sum of the payments then due under the payment schedule less the payments made under the Letter Agreement.~~
- ~~(d) No later than fifteen (15) Calendar Days after the Transition Report is received, the Interconnection Customer shall increase the amount of security posted for ITCC to the sum of the amounts then due under the schedule in Section 17 of this Appendix A.~~
- ~~(e) The Parties believe that as a result of work under the Letter Agreement or this LGIA, there may be changes to the Participating TO's Interconnection Facilities, particularly with regard to what telecommunications facilities will be required. Thus, the Parties agree that no later than thirty (30) Calendar Days before Construction Activities for the Participating TO's Interconnection Facilities~~

~~commence, the Participating TO shall notify the Interconnection Customer of any material change, if any, in the scope of work for the Participating TO's Interconnection Facilities and shall provide revised versions of the scope of work in Appendix A, Section 1(b), the table of cost estimates found in Appendix A, Section 15, the revised payment schedule found in Appendix A, Section 17, and an update of the amount of Interconnection Financial Security required. Upon agreement by the Parties on the updated schedules, the Participating TO, and the CAISO, if required, shall file an amendment to this LGIA reflecting such updated schedules at FERC.~~

**Appendix B  
To LGIA**

**Milestones**

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date (*)</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA.	Interconnection Customer	To the extent not already provided in the Letter Agreement, within ten (10) Calendar Days of the Effective Date
(c)	Submittal of second posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO pursuant to Section 9 of the LGIP, and Article 11.5 and Sections 10 and 13(d) of Appendix A of the LGIA	Interconnection Customer	One hundred eighty (180) Calendar Days after issuance of the final Phase II Interconnection Study, which is January 5, 2011
(d)	Submittal of third posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO pursuant to Section 9 of the LGIP and Article 11.5 and Sections 10 and 13(d) of Appendix A of the LGIA	Interconnection Customer	June 1, 2011.
(e)	Submittal of written authorization to proceed with construction of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	June 1, 2011

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date (*)</u>
(f)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the acceptance of the LGIA and termination of the Letter Agreement
(g)-1	Completion of the Participating TO's Interconnection Facilities and those Participating TO's Reliability Network Upgrades necessary for Interconnection Customer to interconnect to the Whirlwind Substation (**)	Participating TO	Within twenty-one (21) months following execution by all Parties of this LGIA (***)
(g)-2	Completion of all Reliability Network Upgrades	Participating TO	Within twenty-four (24) months following execution by all Parties of this LGIA
(g)-3	Completion of all the Participating TO's Interconnection Facilities	Participating TO	Within thirty (30) months following execution by all Parties of this LGIA
(g)-4	Completion of the Delivery Network Upgrades	Participating TO	Within thirty-six (36) months following execution by all Parties of this LGIA
(h)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and AV Solar One Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(i)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(j)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date (*)</u>
(k)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications
(l)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and AV Solar One Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date
(m)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(n)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(o)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
(p)	In-service date of the Interconnection Customer's Interconnection Facilities	Interconnection Customer	Within twenty-one (21) months following execution by all Parties of this LGIA
(q)	Initial Synchronization Date/Trial Operation begins	Interconnection Customer	Within twenty-one (21) months following execution by all Parties of this LGIA
(r)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(s)	Testing in accordance with Article 6.1 of the LGIA of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades described in (g.1) and testing of the Interconnection Customer's Interconnection Facilities and AV Solar One Project then in existence.	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date (*)</u>
(t)	Provide written approval to the Interconnection Customer for the operation of the AV Solar One Project in accordance with Article 6.1 of the LGIA	Participating TO	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date
(u)	Commercial Operation Date for the entire Generating Facility	Interconnection Customer	December 31, 2013
(v)	Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO	Interconnection Customer	Within one hundred twenty (120) Calendar Days after the Commercial Operation Date for the entire Generating Facility, unless otherwise agreed
(w)	Release of Interconnection Financial Security for Participating TO Interconnection Facilities	Participating TO	As soon as reasonably practicable, but within one (1) month of completion of construction
(x)	Release of Interconnection Financial Security for Network Upgrades	Participating TO	As soon as reasonably practicable, but no later than one (1) month after the Commercial Operation Date for the entire Generating Facility

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

~~\*\* The Participating TO's Interconnection Facilities and Participating TO's Reliability Network Upgrades necessary for the AV Solar Ranch One Project to begin Commercial Operation are all of the facilities listed in Appendix A, Section 1 and 2, except 1(b)(v) (second communication line), 2(b)(i)2a (SPS), 2(b)(i)2c (short-circuit duty mitigation), and 2(b)(ii)a (Delivery Network Upgrades).~~

~~\*\*\* The Interconnection Customer has requested a March 1, 2012 in-service date for the Participating TO's Interconnection Facilities and Participating TO's Reliability Network Upgrades required for the AV Solar Ranch One Project to begin Commercial Operation and the Participating TO will use~~

~~Reasonable Efforts to expedite the schedule to comply with the requested In-Service Date.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period except for the milestones requiring posting of the Interconnection Financial Security and work for the Network Upgrades common to other generating facilities which generating facilities are not the subject of this LGIA. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

## **Appendix C To LGIA**

### **Interconnection Details**

- 1. ~~Generating Facility:~~** ~~The Generating Facility, as studied in the Phase II Interconnection Study, includes, but it is not limited to, all equipment and facilities comprising the proposed 250 MW generating facility located in Kern County, California, as disclosed by the Interconnection Customer in its interconnection application, as may have been amended during the Interconnection Study process, which consists of (i) a total of 150 individual 1,700 kW solar inverters, (ii) 150 pad-mount transformer(s) (34.5/0.4 kV (YG-D), 1.75MVA H-X Impedance Value: 5.75% @ 1.75 MVA), and (iii) two main step-up transformers (230/13.8/34.5 kV (YG-D-YG), 80/107/133 MVA), meters and metering equipment and appurtenant equipment (together the “AV Solar One Project”).~~
  
- 2. ~~Interconnection Customer Operational Requirements:~~**
  - ~~(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the AV Solar One Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, NERC and the Applicable Reliability Council requirements, and Applicable Reliability Standards.~~
  
  - ~~(b) The AV Solar One Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~
  
- 3. ~~Interconnection Principles:~~**
  - ~~(a) This LGIA provides for interconnection of a total capacity of 250 MW, resulting from the interconnection of the AV Solar One Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~
  
  - ~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the AV Solar One Project to the Participating TO’s electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs~~

~~associated with any such mitigation measures. If applicable, Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation in accordance with Section 12.4 of the LGIP.~~

- ~~(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~
- ~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the AV Solar One Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the AV Solar One Project or the Interconnection Customer's Interconnection Facilities.~~
- ~~(e) To the extent not already performed, the Interconnection Customer shall complete and receive approval for all environmental impact studies necessary for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades described in Appendix A of this LGIA. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required to be obtained by the Participating TO for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA.~~
- ~~(f) The Interconnection Customer is responsible for all costs associated with any necessary relocation of any Participating TO facilities existing as of the Effective Date ("existing Participating TO facilities") which are to be relocated as a result of the AV Solar One Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities to be constructed under the LGIA, including those required to cross the Participating TO's facilities and property. The relocation of existing~~

~~Participating TO facilities or use of Participating TO property rights shall only be permitted upon written agreement between Participating TO and the Interconnection Customer. Any proposed relocation of existing Participating TO facilities or use of existing Participating TO property rights may require a study and/or evaluation, to determine whether such use may be accommodated. Unless the costs of the study are to be paid by a third-party pursuant to Article 15.19.3 of the LGIA, the cost of a study and/or evaluation shall be borne by the Interconnection Customer. The terms and conditions of any such use of Participating TO facilities or property rights would be the subject of a separate agreement.~~

- ~~(g) This LGIA does not address any requirements for standby power or temporary construction power that the AV Solar One Project may require prior to the In-Service Date of the Interconnection Facilities. Should the AV Solar One Project require standby power or temporary construction power from Participating TO prior to the In-Service Date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with Participating TO to receive and pay for such retail service.~~
- ~~(h) The Participating TO acknowledges that the Generating Facility may be financed in whole, or in part, with funds provided under a guarantee by the U.S. Department of Energy ("DOE") pursuant to the ARRA. Participating TO further acknowledges that the ARRA mandates that projects assisted by and through the Federal government, including, but not limited to, DOE, comply with the Labor Laws. The Participating TO will endeavor to include in all contracts with contractors who provide laborers or mechanics for the construction of the Participating TO's Interconnection Facilities and Network Upgrades provisions substantially similar to those in the Labor Laws. The Interconnection Customer acknowledges that the Participating TO does not, by this LGIA, accept any liability for any losses suffered or gains not realized by the Interconnection Customer, or its agents, employees, or assigns, due to a failure by any party to comply with the Labor Laws.~~

#### ~~4. Cluster Study Group:~~

- ~~(a) The AV Solar One Project participated in the CAISO's SCE Northern Bulk System cluster for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid. The Phase I Interconnection Study was issued on July 24, 2009, and revised on November 20, 2009, and the Phase II Interconnection Study was issued on July 8, 2010.~~

#### ~~5. Interconnection Operations:~~

- ~~(a) The Interconnection Customer shall cause the AV Solar One Project to participate in any SPS required to prevent thermal overloads and unstable~~

- ~~conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols and the requirements of Article 9.7.4 of the LGIA. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the AV Solar One Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this LGIA.~~
- ~~(b) The Interconnection Customer shall cause the AV Solar One Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~
- ~~(c) Following outages of the Interconnection Facilities or the AV Solar One Project, the Interconnection Customer shall not energize the AV Solar One Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~
- ~~(d) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~
- ~~(e) The Interconnection Customer has elected for the AV Solar One project to have Full Capacity Deliverability Status as such term is defined in the CAISO Tariff. Interconnection Customer acknowledges and understands that (i) attainment of Full Capacity Deliverability Status may depend on completion of the Participating TO's Delivery Network Upgrades and other new transmission facilities that the Phase II Interconnection Study assumed to be in service by the time of the Participating TO's Delivery Network Upgrades construction, and (ii) until attainment of Full Capacity Deliverability Status, the AV Solar One Project will have Energy-Only Deliverability Status as such term is defined in the CAISO Tariff.~~
- ~~(f) Additional operational studies may be performed by the Participating TO on an as needed basis to confirm if any of the circuit breaker upgrades or replacements identified in the Phase II Interconnection Study as being triggered by queued ahead projects are required to be advanced in order to accommodate interconnection of the AV Solar One Project. Interconnection Customer shall pay for such studies if they are requested in writing by the~~

~~Interconnection Customer. In the event that it is determined by the Participating TO that any such upgrades or replacements are required to be advanced in order to accommodate interconnection of the AV Solar One Project, such advancement shall be addressed in accordance with Section 12.2.2 of the LGIP. Interconnection Customer may commit to pay the costs associated with expediting construction of Network Upgrades to meet the original proposed Commercial Operation Date.~~

~~**6. Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the AV Solar One Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 5 of Appendix A of this LGIA.~~

## **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/271f/271fcbd45ca60.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 Date of a phase of a Generating Facility.]

**[Date]**

Mr. Stephen Ruty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: \_\_\_\_\_ Commercial Operation Date of Phase \_\_\_\_\_ of the Generating Facility

Dear Messrs. Ruty, Kott, and Law:

On **[Date]** **[Interconnection Customer]** completed project phase \_\_\_\_\_ of the Generating Facility. This letter confirms that the Commercial Operation Date of project phase \_\_\_\_\_ of the Generating Facility, is **[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]**

cc: Linda Wright or Judy Brown

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

CAISO	Participating TO	Interconnection Customer
<p>Ms. Linda Wright or Judy Brown 151 Blue Ravine Rd. Folsom, CA 95630</p>	<p>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</p>	<p>AV Solar Ranch 1, LLC Attn: Jim Filippi, Director, Transmission and Interconnection First Solar 353 Sacramento St., Suite 2100 San Francisco, CA 94111 Phone: 415.935.2498 Facsimile: 415.935.2499 Email: Jim.Filippi@firstsolar.com</p> <p>With copies to:</p> <p>Jack Pigott, Director, Project Development First Solar 353 Sacramento St., Suite 2100 San Francisco, CA 94111 Phone: 415.935.2512 Facsimile: 415.935.2513 Email: Jack.Pigott@firstsolar.com</p> <p>Lisa Bodensteiner, Assistant General Counsel First Solar 1111 Broadway, 4th Floor Oakland, CA 94607 Phone: 510.625-7400 Facsimile: 510.835.1274 Email: Lisa.Bodensteiner@firstsolar.com</p> <p>NextLight Renewable Power, LLC Attn: Robert F. Miller, Vice President &amp; General Counsel 353 Sacramento St., Suite 2100 San Francisco, CA 94111 Phone: 415.935.2500 Facsimile: 415.935.2501 Email: Robert.Miller@firstsolar.com</p>

**2. ~~Operating Communications and Notifications:~~**

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information prior to the Initial Synchronization Date:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:</del>
<del>Alternate Phone:</del>		<del>*Operation Center Fax. No.: *E-mail:</del>

**3. ~~Operational Matters, Force Majeure, and Outage Notices:~~**

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>California ISO Ms. Judy Brown 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>[To be provided prior to the Initial Synchronization Date]</del>	<del>Mitch Samuelian Director, Power Plant Operations First Solar 350 West Washington Street Tempe, AZ 85284 Phone: 602.384.9538 Facsimile: 602.384.9638 Email: MSamuelian@firstsolar.com</del>

**4. ~~For Emergencies:~~**

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>California ISO Ms. Judy Brown 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>[To be provided prior to the Initial Synchronization Date]</del>	<del>Mitch Samuelian Director, Power Plant Operations First Solar 350 West Washington Street Tempe, AZ 85284 Phone: 602.384.9538 Facsimile: 602.384.9638 Email: MSamuelian@firstsolar.com</del>

**5. Billing and Payments:**

CAISO	Participating TO	Interconnection Customer
<p>Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630</p>	<p>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</p>	<p>First Solar Accounts Payable 28101 Cedar Park Blvd Perrysburgh, OH 43551</p> <p>With a copy to: AV Solar Ranch 1, LLC Attn: Jim Filippi, Director, Transmission and Interconnection First Solar Development, Incorporated 353 Sacramento St. Suite 2100 San Francisco, CA 94111 Phone: 415.935.2498 Facsimile: 415.935.2499 Email: Jim.Filippi@firstsolar.com</p>

**6. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):**

CAISO	Participating TO	Interconnection Customer
<p><a href="mailto:lwright@caiso.com">lwright@caiso.com</a></p>	<p>Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152</p>	<p>AV Solar Ranch 1, LLC Attn: Jim Filippi, Director, Transmission and Interconnection First Solar 353 Sacramento St. Suite 2100 San Francisco, CA 94111 Phone: 415.935.2498 Facsimile: 415.935.2499 Email: Jim.Filippi@firstsolar.com</p> <p>Jack Pigott, Director, Project Development First Solar 353 Sacramento St. Suite 2100 San Francisco, CA 94111 Phone: 415.935.2512 Facsimile: 415.935.2513 Email: Jack.Pigott@firstsolar.com</p>

**Appendix G  
To LGIA**

**Interconnection Customer's Proportional Share of Costs  
of Network Upgrades for Applicable Project Group**

<b>Upgrades</b>	<b>Type</b>	<b>Needed For</b>	<b>Total Cost (\$1000)</b>	<b>Cost Share</b>	<b>Allocated Cost (\$1000)</b>
-Whirlwind 2nd & 3rd Bank	-Delivery	-Normal overload on Whirlwind 500/230 kV bank No. 1	-\$109,964	-19.00%	-\$20,893
-Whirlwind T-1 SPS	-Reliability	-T-1 overload on Whirlwind 500/230 kV banks	-\$939	-16.13%	-\$151
-Whirlwind Bus Expansion	-Reliability	-Support physical interconnection of the projects	\$4,282	-16.13%	-\$691
-Vincent Circuit Breaker	-Reliability	-Short circuit duty mitigation	-\$18,016	-9.13%	-\$1,645
-Plan of Service	-Reliability	-Interconnection and Power Systems Controls	-\$2,745	-100%	-\$2,745
<b>Total Allocated Cost for Network Upgrades</b>					<b>\$26,125</b>

All amounts above are shown in nominal dollars

## **Appendix H To LGIA**

### **INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY**

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

#### **A. Technical Requirements Applicable to Asynchronous Generating Facilities**

##### **i. Low Voltage Ride-Through (LVRT) Capability**

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

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage, unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage, unless clearing the fault effectively disconnects the generator from the system. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase to ground or phase to phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal

- voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
- ~~3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~
  - ~~4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~
  - ~~5. The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.~~
  - ~~6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~
  - ~~7. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~
  - ~~8. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of July 3, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.

## **~~ii. Frequency Disturbance Ride-Through Capability~~**

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

### **~~iii. Power Factor Design and Operating Requirements (Reactive Power)~~**

~~An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this 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 Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.~~

### **~~iv. Supervisory Control and Data Acquisition (SCADA) and Automated Dispatch System (ADS) Capability~~**

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

### **~~v. Power System Stabilizers (PSS)~~**

~~Power system stabilizers are not required for Asynchronous Generating Facilities.~~

**Attachment M**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 95 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Coram California Development, L.P., SCE, and ISO, designated as SCE Service Agreement No. 95

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment N - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1802**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Coram California Development, L.P., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 95.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 95, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment O - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1802**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Coram California Development, L.P., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 95.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 95, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

~~CORAM BRODIE WIND PROJECT~~  
~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)~~  
~~AMONG~~

~~CORAM CALIFORNIA DEVELOPMENT, L.P.~~  
~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~  
~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~CORAM CALIFORNIA DEVELOPMENT, L.P.~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2010, by and among Coram California Development, L.P., a limited partnership organized and existing under the laws of the State of Delaware ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and~~

Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.

**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The

~~study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.~~

~~**IRS** shall mean the Internal Revenue Service.~~

~~———**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~——— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or CAISO has incurred expenses or 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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval from FERC, the Interconnection Customer shall not be responsible for those charges. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

~~**2.4.1** Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs,~~

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

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

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

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

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

### **~~ARTICLE 3. REGULATORY FILINGS AND 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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

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

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

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

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

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

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

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

~~5.7~~ **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## **ARTICLE 7. METERING**

**7.1 General.** ~~Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2—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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and~~

~~coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.~~

## ~~9.9—Use of Interconnection Facilities by Third Parties.~~

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

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

~~9.10—Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

~~In addition:~~

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~11.6~~ **Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final

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

~~**12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

By: /s/ David L. Mead

Title: Vice President, Engineering and Technical Services

Date: December 3, 2010

**California Independent System Operator Corporation**

By: /s/ Keith E. Casey, PH.D

Title: Vice President, Market & Infrastructure Development

Date: December 1, 2010

**Coram California Development, L.P.**

By: /s/ Kim Osmars

Title: as a Member Manager

Date: November 20, 2010

## **Appendices to LGIA**

~~Appendix A—Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for a Wind Generating Plant~~

## **Appendix A To LGIA**

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

~~Coram Energy, LLC (“Coram”), an Affiliate of Coram California Development, L.P., submitted an Interconnection Request (“IR”) on May 20, 2005 (identified at Queue Position 79 in the CAISO Controlled Grid Generation Queue), for the interconnection of its proposed Coram Brodie Wind Project Expansion (identified herein as “Phase I”). Coram later submitted a second IR on February 21, 2006 (Queue Position 91), for its proposed Coram Brodie Wind Project Phase 2 (identified herein as “Phase II”). On February 11, 2008, Coram assigned both Interconnection Requests and Queue Positions to Coram California Development, L.P. identified as the Interconnection Customer. On June 9, 2009, Interconnection Customer amended, by submitting a revised Interconnection Request Attachment B to the CAISO, the allocation of nameplate capacity between the two Phases, increasing Phase I to 78 MW while simultaneously decreasing Phase II to 24 MW. Both Phases are owned by the same Interconnection Customer and have a common Point of Interconnection through generation tie-lines, but are planned to be located at two different sites. Although separate Interconnection Studies were performed, the Parties have agreed to enter into one LGIA for interconnection of both Phases to the CAISO Controlled Grid. Phase I and Phase II are referred to collectively as the “Coram Brodie Wind Project” or as “Coram Brodie”, and are described further in Appendix C, Section 1 of this LGIA.~~

~~Phase I is planned to be located in portions of Sections 7, 10, 11 and 12 of Township 11, Range 14W SBBM, of Kern County, California (north of Oak Creek Road, approximately 1 mile northeast of the intersection of Oak Creek Road and Tehachapi Willow Springs Road in Kern County, California). Phase II is planned to be located in portions of Section 15 of Township 11, Range 13W SBBM, of Kern County, California, (directly north of Oak Creek Road and approximately 6.5 miles east-southeast from the Phase I site).~~

~~The Participating TO’s Interconnection Facilities described in this Appendix A are based on preliminary engineering and design and, consequently, are subject to modification to reflect the actual facilities that are constructed and installed following final engineering and design.~~

#### **1. Interconnection Facilities:**

- ~~(a) **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall install:~~
- ~~1. All required CAISO approved metering equipment at the Large Generating Facility~~

~~2. All required Participating TO metering equipment including the current transformers and potential transformers, which will be used for retail metering. An accuracy of 0.15% is required for the retail metering equipment.~~

~~3. One dedicated 125-volt DC circuit to be terminated at the remote terminal unit ("RTU") at the Phase I site in a temperature controlled room, and one dedicated 125-volt DC circuit to be terminated at the RTU at the Phase II site in a temperature controlled room.~~

~~4. One 115-volt AC convenient circuit and all station interface wiring to be terminated at the RTU at the Phase I site in a temperature controlled room, and one 115-volt AC convenient circuit and all station interface wiring to be terminated at the RTU at the Phase II site in a temperature controlled room.~~

~~5. Space must be provided for an SCE installed 8' x 19" telecommunications rack in a temperature controlled room at both the Phase I and Phase II sites. Clearance must be provided for SCE personnel to safely install and maintain the communications equipment. Additionally, one 115-volt AC dedicated circuit (separate from the RTU) or 130-volt DC dedicated circuit shall be provided to power the telecommunications equipment rack at both sites.~~

~~6. Underground or overhead structures to provide for a communications link between the RTU and the generation tie-line termination point at both the Phase I site and Phase II site.~~

~~7. Two 66-kV overhead and underground generation tie-lines, approximately 6.5 miles in total length, that will connect together and terminate at the same Interconnection Customer-owned structure within one span of the Participating TO's Interconnection Facilities. The underground portion of the generation tie-line is approximately 3.2 miles in length and constructed of 2750 kcmil AL cable. The generation tie-line overhead section will be constructed of 795 kcmil ACSR conductor and 477 kcmil ACSR conductor, and equipped with single mode fiber optic cable. A sketch of the two generation tie-lines is provided in Section 7 of this Appendix A.~~

~~8. Install one optical entrance cable extending the fiber optic communications to a patch panel in the Participating TO's telecommunications terminal equipment at the Interconnection Customer's Phase I site and Phase II site.~~

~~9. Install one (1) Schweitzer SEL-311L relay at the Phase I site and install one (1) Schweitzer SEL-311L relay at the Phase II site.~~

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

~~1. The Windhub-Coram generation tie-line:~~

- ~~• One overhead and underground distribution line constructed of 954 ACSR conductor and 3,000 kcmil copper cable originating at the Windhub 66kV bus and terminating at the Interconnection Customer's dead-end tower located nearest to Windhub Substation.~~
- ~~• Miscellaneous shoes and splices for the conductor connection~~
- ~~• One 75 foot tall tubular steel pole with an underground riser.~~
- ~~• One underground vault.~~

~~2. The Windhub Substation Line Drop:~~

- ~~• Two (2) 66 kV circuit breakers.~~
- ~~• Four (4) sets of 66 kV disconnect switches on 66kV position eleven (11) in Windhub Substation.~~
- ~~• Conductors as needed.~~

~~3. Protection:~~

- ~~• Install one (1) 910 Schweitzer SEL-311 L relay, as primary pilot relaying protection, and one (1) G.E. D60 relay as backup protection.~~

~~4. Power System Controls:~~

- ~~• One real-time RTU at the Phase I site and one real-time RTU at the Phase II site. Notwithstanding the fact that the RTUs will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.~~

~~5. Telecommunications:~~

- ~~• One (1) 8' x 19" equipment rack with lightwave terminal and channel equipment at the Phase II site switching station, and similar equipment at the Phase I site switching station. Notwithstanding the fact that the equipment racks will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.~~
- ~~• One lightwave terminal and channel grooming connection at Windhub Substation.~~
- ~~• One underground fiber optic cable from Windhub Substation to rise on the Interconnection Customer's first overhead structure and splice to the Interconnection Customer installed fiber optic cable.~~

~~2. **Network Upgrades:**~~

~~a) **Stand Alone Network Upgrades:** None.~~

## **b) Other Network Upgrades:**

### **(i) Participating TO's Reliability Network Upgrades:**

#### **~~Windhub 500/230/66 kV Substation:~~**

~~Facilities required for Phase II initial interconnection and operation:~~

- ~~• Install two (2) 230 kV buses for positions 5 to 13.~~
  - ~~• Equip 230 kV position 7 with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches to one A bank.~~
  - ~~• Equip position 9 with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches for bus sectionalizing.~~
  - ~~• Equip 230 kV position numbers 10 and 11 with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches to terminate generation tie lines.~~
  - ~~• Equip 230 kV position number 12 with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches to terminate the Highwind 230 kV line.~~
  - ~~• Equip 230 kV position number 13 with three (3) 230 kV circuit breakers and six (6) sets of 230 kV disconnect switches to terminate one generation tie line and the Antelope 500 kV line energized at 230 kV.~~
  - ~~• Install one (1) 230 kV, 79.2MVAR capacitor bank.~~
- ~~Additional facilities required for substation build out:~~
- ~~• Install four (4) 500/230 kV transformer banks and necessary switchrack equipment.~~
  - ~~• Install two (2) 230 kV buses for positions 1 to 8.~~
  - ~~• Equip 230 kV position numbers 2 and 5, with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches to terminate two (2) 500/230 kV transformer banks.~~
  - ~~• Equip 230 kV position numbers 9 and 11 with one (1) 230 kV circuit breakers and two (2) sets of 230 kV disconnect switches to terminate two (2) 500/230 kV transformer banks.~~
  - ~~• Equip 230 kV position number 7 with two (2) 230 kV circuit breakers and four (4) sets of 230 kV disconnect switches to terminate one (1) 220/66 kV transformer bank.~~
  - ~~• Install one (1) 230 kV, 79.2MVAR capacitor bank.~~
- ~~Construct a new 500 kV switchrack:~~
- ~~• Install two (2) 500 kV buses for positions 1-6.~~
  - ~~• Equip 500 kV position numbers 3 and 5 with two (2) 500 kV circuit breakers and four (4) sets of 500 kV disconnect switches to terminate two (2) 500/230 kV transformer banks.~~
  - ~~• Equip 500 kV position numbers 1 and 6 with three (3) 500 kV circuit breakers and six (6) sets of 500 kV disconnect switches to terminate two (2) 500/230 kV transformer banks, the Antelope 500 kV line and the Whirlwind 500 kV line.~~
  - ~~• Install two (2) 500 kV, 150MVAR capacitor banks.~~

#### **Antelope – Windhub 500/230 kV Transmission Line**

~~Install approximately 26 miles of new 500 kV transmission line initially energized at 230 kV, equipped with 2-2156kcmil ACSR conductors per phase and optical ground wire.~~

~~The facilities enumerated in this Section 2(b)(i) are components of the Tehachapi Renewable Transmission Project, as defined in Section 8 of this Appendix A.~~

**(ii) Participating TO's Delivery Network Upgrades:**

The Network Upgrades comprising the fourth through eleventh segments of the Tehachapi Renewable Transmission Project, as defined in Section 8 of this Appendix A.

**3. Distribution Upgrades:** None.

**4. EKWRA Facilities:**

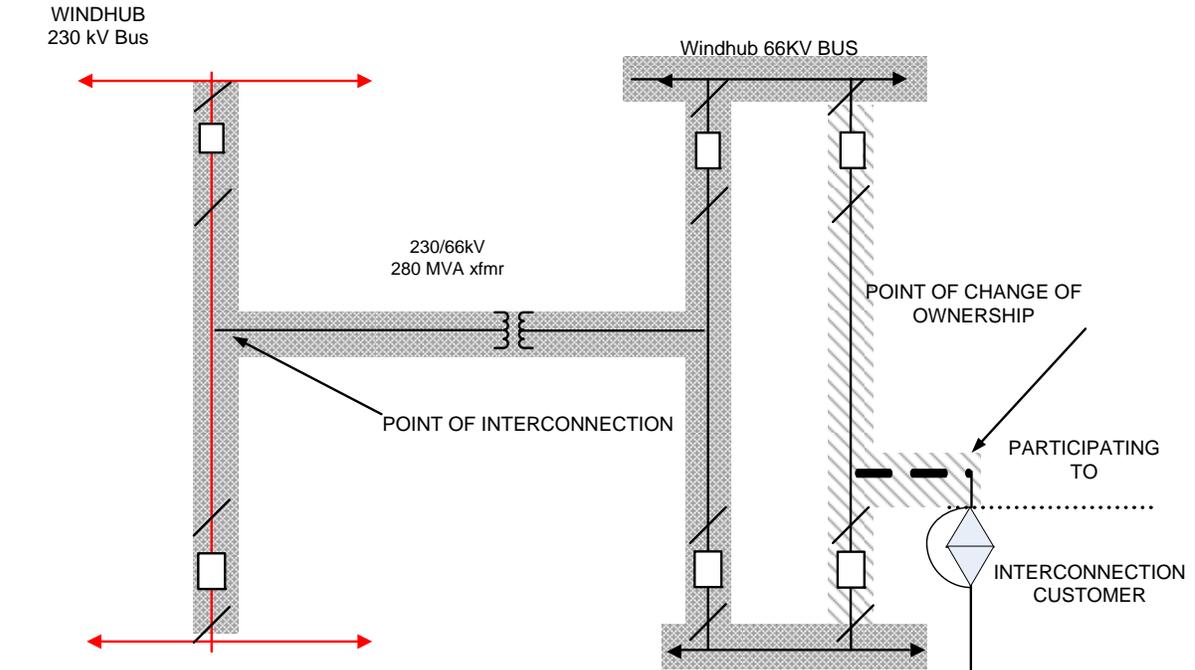
Windhub Substation 66 kV bus, transformer and transformer leads:

- One (1) set of transformer leads from the 230 kV bus to a 230/66 kV 280 MVA transformer.
- One (1) set of transformer leads from the transformer to the 66kV bus position number 10.
- One (1) 230/66kV 280 MVA transformer
- Two (2) 66kV buses.
- Two (2) 66kV circuit breakers, relays, 66kV disconnect switches, and bus work to terminate the transformer leads.
- One (1) position on the 230kV bus, circuit breakers, disconnects relays and related structures.

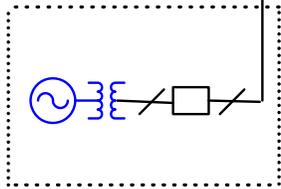
**5. Point of Change of Ownership:** The Windhub Substation side insulator on the structure at which the Interconnection Customer's generation tie-line terminates. The Interconnection Customer owns all the insulators, the loops, and the structure.

**6. Point of Interconnection:** The Participating TO's Windhub Substation 230kV bus.

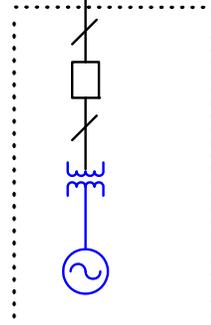
**7. One-Line Diagram of Interconnection to the Participating TO's Electric System at the Windhub Substation:**



PHASE II SITE  
 \*51 MW IR  
 \*24 MW INSTALLED



- LEGEND**
- PTO INTERCONNECTION FACILITIES
  - EKWRA FACILITIES
  - UNDERGROUND CONSTRUCTION
  - OVERHEAD CONSTRUCTION
  - WIND TURBINE GENERATION PROJECT
  - INTERCONNECTION CUSTOMER'S POLE



PHASE I SITE  
 \*51 MW IR  
 \*78 MW INSTALLED

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

- ~~(a) Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such project is abandoned due to circumstances outside of the Participating TO's control.~~
- ~~(b) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.~~
- ~~(c) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities or EKWRA Facilities, in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities or EKWRA Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities or EKWRA Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities or EKWRA Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost or EKWRA Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost or EKWRA Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~
- ~~(d) CPUC: The California Public Utilities Commission, or its regulatory successor.~~
- ~~(e) Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~
- ~~(f) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 16 of this Appendix A.~~
- ~~(g) East Kern Wind Resource Area ("EKWRA") Project: A proposed expansion plan project sponsored by the Participating TO to address existing reliability issues on~~

~~the Participating TO's 66 kV system. The scope of work for the EKWRA Project includes, among other things, the EKWRA Facilities. The EKWRA Project was approved by the CAISO board in March of 2010. A determination regarding the impact upon biological and archeological resources from the EKWRA Project components physically located outside of Windhub Substation will be known by approximately December 2010, and thus the CPUC regulatory filing requirements will also be known at that time. The CPUC CPCN/PTC permitting process (to the extent required and as more fully described in Section 14 (g) herein) will begin shortly thereafter.~~

- ~~(h) EKWRA Facilities: Those facilities described in Section 4 of Appendix A.~~
- ~~(i) EKWRA Facilities Charge: The monthly charge to the Interconnection Customer for the EKWRA Facilities, calculated as the product of the Customer-Financed Monthly Rate and the EKWRA Facilities Cost. The EKWRA Facilities Charge is provided in Section 16 of this Appendix A.~~
- ~~(j) EKWRA Facilities Completion Date: The date upon which the construction of the EKWRA Facilities is complete and such facilities are successfully tested and ready for service.~~
- ~~(k) EKWRA Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the EKWRA Facilities. The EKWRA Facilities Cost is provided in Section 15 of this Appendix A.~~
- ~~(l) EKWRA Facilities Payment: The sum of the EKWRA Facilities Cost and associated One-Time Cost. The EKWRA Facilities Payment is provided in Section 17 of this Appendix A.~~
- ~~(m) EKWRA Facilities Refund: The refund described in Section 14(g) of this Appendix A.~~
- ~~(n) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Appendix A.~~
- ~~(o) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~
- ~~(p) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's~~

~~Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Appendix A.~~

- ~~(q) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 17 of this Appendix A.~~
- ~~(r) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost and EKWRA Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost and EKWRA Facilities Cost is described in Section 11 of this Appendix A and is shown in Section 15 of this Appendix A.~~
- ~~(s) Letter Agreement: The agreement between Interconnection Customer and the Participating TO entered into on July 9, 2010, Service Agreement No. 71, under the Participating TO's Transmission Owner Tariff, under which the Interconnection Customer advanced funds to the Participating TO for the commencement of engineering, procurement and construction of the 66kV bus, 230/66kV transformer leads, and 230/66kV transformer at Windhub Substation.~~
- ~~(t) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, EKWRA Facilities or Capital Additions which are not capitalized.~~
- ~~(u) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities and EKWRA Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities and EKWRA Facilities.~~
- ~~(v) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~
- ~~(w) Tehachapi Renewable Transmission Project: The first eleven segments of a series of new and upgraded 230 kV and 500 kV electric transmission lines and substations required for the delivery of electricity from approximately 4,500 MW of generation in the Tehachapi wind resource area located within the Participating TO's service territory in the San Joaquin Valley, between Bakersfield and Mojave, California ("Tehachapi Wind Resource Area").~~
- ~~(x) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~(y) Windhub Substation: Participating TO's 500/230/66 kV substation located in Kern County, California. The 66kV bus and related components are permitted with the CPUC as part of the Tehachapi Renewable Transmission Project, and has been approved by the CAISO.~~

~~**9. Transmission Credits:** No transmission credits are applicable since this LGIA assumes that the Participating TO will up-front fund the Network Upgrades.~~

~~**10. Security Amount for the Participating TO's Interconnection Facilities and EKWRA Facilities:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$19,613,000.00 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities and EKWRA Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~**11. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability for the Interconnection Facilities and EKWRA Facilities is as follows:~~

~~(Current Tax Rate x (Gross Income Amount — Present Value of Tax Depreciation))/(1 — Current Tax Rate) = 35%~~

~~Estimated tax liability = 35% \* (Interconnection Facilities Cost) = 35% \* \$4,302,000.00 = \$1,505,700.00~~

~~Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$1,505,700.00 pursuant to Article 5.17.3 and Appendix B of this LGIA.~~

~~Estimated tax liability = 35% \* (EKWRA Facilities Cost) = 35% \* \$15,300,000.00 = \$5,355,000.00~~

~~Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$5,355,000.00, pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

~~**12. Removal of the Participating TO's Interconnection Facilities and EKWRA Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities and EKWRA Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities and EKWRA Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's~~

~~Interconnection Facilities and EKWRA Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. The Interconnection Customer shall not be responsible for the Removal Cost for the EKWRA Facilities if the Participating TO has issued the EKWRA Facilities Refund. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities and EKWRA Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

### **13. Charges:**

- ~~(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Interconnection Facilities Payment; (ii) payments for any Capital Additions; (iii) EKWRA Facilities Payment; (iv) Interconnection Facilities Charge; (v) EKWRA Facilities Charge; (vi) any reimbursable FERC fees pursuant to Section 14(f) of this Appendix A; (vii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 12 of this Appendix A; (viii) termination charges pursuant to Article 2.4 of the LGIA, however to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges; (ix) and disconnection costs pursuant to Article 2.5 of the LGIA.~~
- ~~(b) The Interconnection Facilities Cost, EKWRA Facilities Cost, associated One-Time Cost, and Removal Cost shall be compiled in accordance with Accounting Practice.~~
- ~~(c) If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities or EKWRA Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~
- ~~(d) Interconnection Customer shall pay the Participating TO to advance the engineering, procurement and construction of the EKWRA Facilities. The EKWRA Facilities were proposed to be engineered, procured, constructed and in-service by December 2013 as part of the EKWRA Project. However, in order to support the In-Service Date requested by the Interconnection Customer, the engineering, procurement and construction of the EKWRA Facilities must be advanced. The estimated cost of the EKWRA Facilities is shown in Section 15 of this Appendix A as the EKWRA Facilities Cost. The Participating TO shall refund to the Interconnection Customer the cost to engineer, procure, and construct the EKWRA Facilities in accordance with Section 14(g) of this Appendix A.~~

#### **14. Supplemental Billing and Payment Provisions:**

- ~~(a) Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment and EKWRA Facilities Payment.~~
- ~~(b) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date and the EKWRA Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge and the EKWRA Facilities Charge. The Interconnection Facilities Charge payments and the EKWRA Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost and the estimated EKWRA Facilities Cost, as specified in Section 15 of this Appendix A. The Interconnection Facilities Charge and the EKWRA Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which such service was provided during said months.~~
- ~~(c) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~
  - ~~(i) For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~
  - ~~(ii) Except as provided in Section 8(b) above, if certain of the Participating TO's Interconnection Facilities or EKWRA Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, or to the EKWRA Facilities Cost prior to load being connected to the EKWRA Facilities, the Interconnection Facilities Charge, or EKWRA Facilities Charge, as appropriate, shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost or EKWRA Facilities Cost.~~
  - ~~(iii) Except as provided in Section 8(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost or to the EKWRA Facilities~~

~~Cost prior to load being connected to the EKWRA Facilities, then the Interconnection Facilities Charge or EKWRA Facilities Charge, as appropriate, shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

- ~~(d) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice. The Participating TO shall include the cost of any Capital Additions to the EKWRA Facilities paid by the Interconnection Customer as part of the EKWRA Facilities Refund.~~
- ~~(e) If, in accordance with the removal of the Participating TO's Interconnection Facilities or EKWRA Facilities specified in Section 12 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities or, if prior to the EKWRA Facilities Refund, the EKWRA Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities or EKWRA Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

- ~~(f) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and § 382), as such regulations may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~
- ~~(g) The Participating TO shall use commercially Reasonable Efforts to determine whether it will need a Certificate of Public Convenience and Necessity ("CPCN") or a Permit to Construct ("PTC") from the CPUC for the EKWRA Project. If the Participating TO determines that it needs a CPCN or PTC, then the Participating TO will use commercially Reasonable Efforts to obtain the CPCN or PTC. Upon satisfaction of either: (1) a determination by the Participating TO that it does not need a CPCN or PTC; or (2) the Participating TO having obtained the CPCN or PTC, the Participating TO will use commercially Reasonable Efforts to meet the Conditions Precedent to Refund, as defined below. The Participating TO shall update the Interconnection Customer on the determination of need of a CPCN or PTC on or before December 30, 2010, and continue to provide updates pursuant to Article 5.7 of this LGIA.~~

~~Upon the Participating TO's achievement of the Conditions Precedent to Refund, the EKWRA Facilities Payments made by the Interconnection Customer for the EKWRA Facilities shall be refunded by the Participating TO to the Interconnection Customer pursuant to this Section 14(g) of Appendix A.~~

~~The following conditions must be met before the Participating TO will issue the EKWRA Facilities Refund ("Conditions Precedent to Refund"): (i) the Participating TO's purchase of all necessary materials for the EKWRA Facilities; (ii) the completion of the final design of the EKWRA Project; and (iii) the completion of the final engineering of the EKWRA Project.~~

~~The Participating TO will issue the EKWRA Facilities Refund, without interest, in the form of one (1) lump sum payment no later than ninety (90) Calendar Days after the Conditions Precedent to Refund have been met. The Interconnection Customer shall continue to pay the EKWRA Facilities Charge, as may be revised pursuant to Section 16 below, until retail load is connected to the EKWRA Facilities, however, the Interconnection Customer shall not have to pay the cost for any Capital Additions to the EKWRA Facilities that occur after the date of the EKWRA Facilities Refund. To the extent the Interconnection Customer has posted Security pursuant to Article 11.5 and Article 5.17.4 of this LGIA, such required Security shall be reduced by an amount equal to the EKWRA Facilities Refund.~~

If the Conditions Precedent to Refund do not occur, Participating TO will not provide the EKWRA Facilities Refund and this LGIA shall be amended accordingly.

**15. Interconnection Facilities Cost and EKWRA Facilities Cost Summary:**

**(a) Estimated Cost:**

	Interconnection Facilities Cost	EKWRA Facilities Cost	-One-Time Cost	-Total	ITCC
-					
Windhub Substation 66kV position	\$1,214,000.00	-		\$1,214,000.00	\$424,900.00
-Power system controls	\$120,000.00	-		\$120,000.00	\$42,000.00
Windhub-Coram 66-kV Generation-Tie-Line	\$1,458,000.00	-	\$11,000.00	\$1,469,000.00	\$510,300.00
Telecommunications	\$1,003,000.00	-		\$1,003,000.00	\$351,050.00
GO 131D-Licensing Process	\$507,000.00	-		\$507,000.00	\$177,450.00
66kV Bus and 230/66kV transformation*		\$15,300,000.00	-	\$15,300,000.00	\$5,355,000.00
-Total	\$4,302,000.00	\$15,300,000.00	\$11,000.00	\$19,613,000.00	\$6,860,700.00

(b) Actual Cost:

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

	Interconnection Facilities Cost	EKWRA Facilities Cost	One-Time Cost	Total	ITCC
-					
Windhub Substation 66kV position					
Power system controls					
Windhub Goram 66 kV Generation Tie Line					
Telecommunications					
GO 131D Licensing Process					
66kV Bus and 230/66kV transformation*			-		
Total					

(\*): Note: Credit Support for the ITCC and Credit Support for the cost to engineer, procure and construct the EKWRA Facilities, provided in accordance with Section 10 and Section 11 of this Appendix A, as appropriate, shall be revised pursuant to Section 14(g) of this Appendix A.

**16. Interconnection Facilities Charge and EKWRA Facilities Charge: \_\_\_\_\_**

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

		Estimated		Actual	
<del>Interconnection Facilities Charge Effective Date</del>	<del>Customer-Financed Monthly Rate</del>	<del>Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge Based on Estimated Cost</del>	<del>Interconnection Facilities Cost</del>	<del>Interconnection Facilities Charge based on actual cost</del>
<del>As of the Interconnection Facilities Completion Date</del>	<del>0.38%</del>	<del>\$4,302,000.00</del>	<del>\$16,347.60</del>	<del>{to be inserted after true-up}</del>	<del>{to be inserted after true-up}</del>

~~EKWRA Facilities Charge = Customer-Financed Monthly Rate x (EKWRA Facilities Cost)~~

		Estimated		Actual	
<del>EKWRA Facilities Charge Effective Date</del>	<del>Customer-Financed Monthly Rate</del>	<del>EKWRA Facilities Cost</del>	<del>EKWRA Facilities Charge Based on Estimated Cost</del>	<del>EKWRA Facilities Cost</del>	<del>EKWRA Facilities Charge based on actual cost</del>
<del>As of the EKWRA Facilities Completion Date</del>	<del>0.38%</del>	<del>\$15,300,000.00</del>	<del>\$58,140.00**</del>	<del>{to be inserted after true-up}</del>	<del>{to be inserted after true-up}</del>

~~(\*\*) Note: A revised EKWRA Facilities Charge and appropriate effective date will be determined for use of the EKWRA Facilities after the EKWRA Facilities Refund is provided.~~

### 17. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities and EKWRA Facilities:

An estimate of the monthly incurred costs is as shown below.

Payment No.	Payment Due Date	Interconnection Facilities Cost	EKWRA Facilities Cost	Interconnection Facilities One-Time Cost	Total Payment Amount
		(A)	(B)	(F)	(K = A + B + F)
1	Payment Received July 2010 *	-	337,000	-	337,000
2	Payment Received September 2010 *	-	1,678,000	-	1,678,000
3	11/1/2010 *	-	8,129,000	-	8,129,000
4	12/1/2010	4,000	-	-	4,000
5	1/1/2011	4,000	-	-	4,000
6	2/1/2011	8,000	-	-	8,000
7	2/1/2011 *	-	1,079,000	-	1,079,000
8	4/1/2011	259,000	-	-	259,000
9	5/1/2011	360,000	-	1,000	361,000
10	6/1/2011	505,000	-	1,000	506,000
11	7/1/2011	840,000	-	3,000	843,000
12	8/1/2011	2322000	4,077,000	6,000	6,405,000
<b>Totals</b>		\$4,302,000	\$15,300,000	\$11,000	\$19,613,000

(\*) Note: Payments made pursuant to the Letter Agreement

Interconnection Facilities Payment = \$4,313,000.00

EKWRA Facilities Payment = \$15,300,000.00

### 18. Other Potential Facilities:

None.

## Appendix B To LGIA

### Milestones

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the Effective Date of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and EKWRA Facilities to the Participating TO and the CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of Credit Support for the Participating TO's Interconnection Facilities Cost (including One-Time Cost) and EKWRA Facilities Cost (including One-Time Cost) to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of Credit Support for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(f)	Completion of the Participating TO's Interconnection Facilities and EKWRA Facilities	Participating TO	Within thirteen (13) months following the Effective Date*

(g)	<del>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Coram Brodie Wind Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date</del>
(h)	<del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation</del>
(i)	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation</del>
(j)	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
(k)	<del>Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Coram Brodie Wind Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date.</del>
(l)	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
(m)	<del>Notification of Balancing Authority Area to the</del>	<del>Interconnection</del>	<del>At least three (3) months prior to the</del>

	<del>Participating TO and CAISO pursuant to Article 9.2</del>	<del>Customer</del>	<del>Initial Synchronization Date</del>
<del>(n)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date</del>
<del>(o)</del>	<del>In-Service Date</del>	<del>Interconnection Customer</del>	<del>December 30, 2011</del>
<del>(p)</del>	<del>Initial Synchronization Date</del>	<del>Interconnection Customer</del>	<del>January 5, 2012</del>
<del>(q)</del>	<del>Trial Operation</del>	<del>Interconnection Customer</del>	<del>January 5, 2012</del>
<del>(r)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(s)</del>	<del>Testing of the Participating TO's Interconnection Facilities, EKWRA Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Coram Brodie Wind Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(t)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Coram Brodie Wind Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Commercial Operation Date</del>
<del>(u)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>January 30, 2012</del>
<del>(v)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units, in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>

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~~\*Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual In-Service Date beyond that specified.~~

~~Interconnection Customer has selected a December 30, 2011 In-Service Date for the facilities required to interconnect the Coram Brodie Wind Project. The Participating TO will use Reasonable Efforts to have the Participating TO's Interconnection Facilities, EKWRA Facilities and Network Upgrades in-service by the Interconnection Customer's selected In-Service Date. Furthermore, the Participating TO will continue to evaluate the project schedule to determine if improvements can be made, and if so, will use Reasonable Efforts to achieve an In-Service Date of November 30, 2011. Such determination will take into account factors including, but not limited to, safety, cost, impacts on other projects and customers, system priorities, and resource availability. If an earlier completion date for the Participating TO's Interconnection Facilities and EKWRA Facilities is determined to be feasible, the Participating TO will use Reasonable Efforts to achieve such earlier date.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the Coram Brodie Wind Project may require re-evaluation due to the suspension of the work and changes to the Participating TO's electrical system or addition of new generation.~~

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## **Appendix C To LGIA**

### **Interconnection Details**

~~1. **Generating Facility:** All equipment and facilities comprising the generating facility in Kern County, as disclosed by the Interconnection Customer in its revised Interconnection Request Attachment, B, dated June 9, 2009, which consists of;~~

- ~~(a) Phase I: twenty-six (26) 3 MW Vestas V90 wind turbine generators, one (1) 34.5/66 kV, 60/80/100 MVA generator step-up transformer, and one (1) 1000:5 amp disconnect switch~~
- ~~(b) Phase II: eight (8) 3 MW Vestas V90 wind turbine generators, one (1) 34.5/66 kV, 18/24/30 MVA generator step-up transformer, and one (1) 300:5 amp disconnect switch (The combined equipment and facilities of Phase I and Phase II comprise the "Coram Brodie Wind Project").~~

~~2. **Interconnection Customer Operational Requirements:**~~

- ~~(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Coram Brodie Wind Project and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.~~
- ~~(b) The Coram Brodie Wind Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; over-current; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.~~

~~3. **Interconnection Principles:**~~

- ~~(a) This LGIA provides for interconnection of a total capacity of 102 MW, resulting from the interconnection of the Coram Brodie Wind Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of Interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~
- ~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Coram Brodie~~

- ~~Wind Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures.~~
- ~~(c) In the event the Participating TO's Interconnection Facilities and EKWRA Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities and EKWRA Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~
- ~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Coram Brodie Wind Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Coram Brodie Wind Project or the Interconnection Customer's Interconnection Facilities.~~
- ~~(e) The Participating TO's approval process specified in Article 6.1 of the LGIA will include verification that the required low-voltage ride-through and power factor correction equipment, if any, pursuant to Appendix H of this LGIA, have been installed.~~
- ~~(f) The Participating TO's current methodology for determining charges due hereunder if the Participating TO provides service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities or EKWRA Facilities, as applicable, is based on the ratio of the megawatts of generation interconnected by each customer using such facilities to the total megawatts interconnected by all customers using Participating TO's Interconnection Facilities or EKWRA Facilities as applicable. This methodology may change if FERC's cost allocation principles change.~~

#### ~~4. Interconnection Operations:~~

- ~~(a) The Interconnection Customer shall cause the Coram Brodie Wind Project to~~

- ~~participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output (i) the Coram Brodie Wind Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS.~~
- ~~(b) The Interconnection Customer shall cause the Coram Brodie Wind Project to participate in CAISO congestion management in accordance with the CAISO Tariff.~~
- ~~(c) Following outages of the Interconnection Facilities or the Coram Brodie Wind Project, the Interconnection Customer shall not energize the Coram Brodie Wind Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~
- ~~(d) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~
- ~~(e) Power factor shall be measured at the Windhub 66 kV bus, pursuant to Appendix H (ii) of the LGIA, notwithstanding that the Point of Interconnection is the Windhub 230kV bus.~~
- ~~(f) The Parties agree that each and every one of the Network Upgrades set forth in Section 2 to Appendix A of this LGIA are not required for the Participating TO and CAISO to provide Interconnection Service to the Coram Brodie Wind Project pursuant to this LGIA. However the completion of the Tehachapi Renewable Transmission Project is required in order to accommodate the full output of the Coram Brodie Wind Project. Until the Tehachapi Renewable Transmission Project has been placed in service, the Coram Brodie Wind Project will be subject to CAISO congestion management protocols as specified in Section 4(b) of this Appendix C, whenever the amount of generation in the area exceeds the available transmission capacity. Under such scenario, CAISO will provide instruction to the Interconnection Customer to curtail the Coram Brodie Wind Project's generation. A CAISO operating procedure will be used to trip off the Coram Brodie Wind Project's generation, as well as the other generation projects in the region, on a non-discriminatory~~

~~basis and based on CAISO's prevailing congestion management protocols in the event that generation is not curtailed in time by each respective project in accordance with the CAISO's instructions. In the event of non-compliance by one or more generation projects in the region, or for other operating reasons, an automatic congestion management system may also be needed to trip off generation when the MW's being generated by the Brodie Wind Project and those other generators exceed the capability of the transmission system equipment installed at that time. Because real-time congestion in the Tehachapi area caused by generation exceeding the transmission capability should be addressed in a systematic and coordinated manner, and because the need for an automatic congestion management system may be triggered by individual generator behavior, such facilities cannot be identified at this time. Should the need for these facilities arise, the cost responsibility for these facilities will not be allocated to the Interconnection Customer; however, the Coram Brodie Wind Project may be subject to outages related to the installation, testing, and operation of such facilities at that time.~~

~~(g) Interconnection Customer has agreed to pay the costs to advance the engineering, procurement and construction of the EKWRA Facilities to accommodate its selected In-Service Date. The components of the EKWRA Project physically located outside of Windhub Substation may require a CPCN or a PTC from the CPUC before the EKWRA Project can be constructed. The Participating TO does not warrant, and Interconnection Customer understands and acknowledges that the Participating TO does not warrant, that: (i) the CPUC will grant a CPCN/PTC (ii) the CPUC will not impose conditions unacceptable to the Participating TO upon any CPCN/PTC granted; (iii) the CPUC will not require the development of new and different information before the granting of the CPCN/PTC; or (iv) the CPUC will grant any CPCN/PTC for construction of the EKWRA Project, and that any such action by the CPUC will not delay or cause the cancellation of the Participating TO's plans to construct the EKWRA Project. If pursuant to Appendix A Section 14(g) of this LGIA, the Participating TO determines that a CPCN/PTC is necessary for the EKWRA Project and the CPUC does not grant the Participating TO a CPCN/PTC for the components of the EKWRA Project physically located outside of Windhub Substation, the EKWRA Facilities shall be installed pursuant to this LGIA.~~

~~**5. Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Coram Brodie Wind Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its~~

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~~Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

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**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>.~~

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**Appendix E  
To LGIA**

**~~Commercial Operation Date~~**

**[Date]**

~~Mr. Stephen Rutty  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: Coram California Development, L.P. - Coram Brodie Wind Project~~

~~Dear Messrs. Rutty, Kott, and Law:~~

~~On **[Date]** Coram California Development, L.P., has completed Trial Operation of Coram Brodie Wind Project Unit No. \_\_\_\_\_. This letter confirms that Coram California Development, L.P. commenced Commercial Operation of Coram Brodie Wind Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.~~

~~Thank you.~~

**[Signature]**

**[Interconnection Customer Representative]**

~~cc: Linda Wright~~

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

<b>CAISO</b>	<b>Participating TO</b>	<b>Interconnection Customer</b>
Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630	Southern California Edison Company Manager, Grid Contracts Administration and Billing P. O. Box 800 Rosemead, California 91770	Coram California Development, L.P. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752 Attention: Kim Osmars, COO and SVP, US Operations and Development Telephone: (508) 251-7700 Facsimile: (508) 485-5207  with a copy to:  Coram California Development, L.P. 14961 Ballou Circle Westminster, CA 92683 Attention: Pam Waldow Phone (714) 418-1074 Facsimile (714) 418-0405 Email: pamwaldow@coramenergy.com

**2. Operating Communications and Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information ten (10) Calendar Days prior to the Initial Synchronization Date of the Granite Mountain Wind Farm Project:

<b>CAISO</b>	<b>Participating TO</b>	<b>Interconnection Customer</b>
CAISO Real Time Desk/24 Hour Telephone:	Grid Control Center/24 Hour Telephone:	*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:
Alternate Phone:		*Operation Center Fax. No.: *E-mail:

**3. Operational Matters, Force Majeure, and Outage Notices:**

CAISO	Participating TO	Interconnection Customer
<p><b>Name:</b> Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630 <b>Phone:</b></p>	<p><b>Name/Title:</b> Southern California Edison Company Manager, Grid Contracts Administration and Billing P. O. Box 800 Rosemead, California 91770</p> <p><b>Phone:</b></p>	<p><b>Name/Title:</b> Coram California Development, L.P. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752 <b>Attention:</b> Kim Osmars, COO and SVP, US Operations and Development Telephone: (508) 251-7700 Facsimile: (508) 485-5207</p> <p>with a copy to:</p> <p>Coram California Development, L.P. 14961 Ballou Circle Westminster, CA 92683 <b>Attention:</b> Pam Waldow Phone (714) 418-1074 Facsimile (714) 418-0405 Email: pamwaldow@coramenergy.com</p> <p><b>Phone:</b></p>

**4. For Emergencies:**

CAISO	Participating TO	Interconnection Customer
<p>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630 <b>Phone:</b></p>	<p>Southern California Edison Company Manager, Grid Contracts Administration and Billing P. O. Box 800 Rosemead, California 91770</p> <p><b>Phone:</b></p>	<p>Coram California Development, L.P. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752 <b>Attention:</b> Kim Osmars, COO and SVP, US Operations and Development Telephone: (508) 251-7700 Facsimile: (508) 485-5207</p> <p>with a copy to:</p> <p>Coram California Development, L.P. 14961 Ballou Circle Westminster, CA 92683 <b>Attention:</b> Pam Waldow Phone (714) 418-1074 Facsimile (714) 418-0405 Email: pamwaldow@coramenergy.com</p>

		Phone:
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**5. Billing and Payments:**

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Coram California Development, L.P. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752 Attention: Kim Osmars, COO and SVP, US Operations and Development Telephone: (508) 251-7700 Facsimile: (508) 485-5207  with a copy to:  Coram California Development, L.P. 14961 Ballou Circle Westminster, CA 92683 Attention: Pam Waldow Phone (714) 418-1074 Facsimile (714) 418-0405 Email: pamwaldow@coramenergy.com

**6. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):**

CAISO	Participating TO	Interconnection Customer
<a href="mailto:lwright@caiso.com">lwright@caiso.com</a>	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	Coram California Development, L.P. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 01752 Attention: Kim Osmars, COO and SVP, US Operations and Development Telephone: (508) 251-7700 Facsimile: (508) 485-5207  with a copy to:  Coram California Development, L.P. 14961 Ballou Circle Westminster, CA 92683 Attention: Pam Waldow Phone (714) 418-1074 Facsimile (714) 418-0405 Email: pamwaldow@coramenergy.com

**Appendix G  
To LGIA**

~~Execution of the Reliability Management System ("RMS") Agreement below will be a condition subsequent to execution of this LGIA, and will be required only if the FERC does not approve of the CAISO's proposal to eliminate the obligation of the Interconnection Customer to execute the RMS Agreement as set forth in Article 9.1 of this LGIA.~~

**Reliability Management System Agreement**

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT**  
by and between  
**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**  
and  
\_\_\_\_\_ **Coram California Development, L.P.**

~~**THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT** (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between **California Independent System Operator Corporation** (the "Transmission Operator") and **Coram California Development, L.P.** (the "Generator").~~

~~**WHEREAS**, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~**WHEREAS**, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~**WHEREAS**, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~**1. PURPOSE OF AGREEMENT**~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western~~

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~~Interconnection through the Generator's commitment to comply with certain reliability standards.~~

## ~~2. DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

~~**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.~~

~~**FERC** means the Federal Energy Regulatory Commission or a successor agency.~~

~~**Member** means any party to the WSCC Agreement.~~

~~**Party** means either the Generator or the Transmission Operator and~~

~~**Parties** means both of the Generator and the Transmission Operator.~~

~~**Reliability Management System or RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.~~

~~**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.~~

~~**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.~~

~~**WSCC** means the Western Systems Coordinating Council or a successor entity.~~

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

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~~WSCC Staff~~ means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### ~~3. TERM AND TERMINATION~~

~~3.1 Term.~~ This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].

[Note: if the interconnection agreement is not FERC jurisdictional, replace bracketed language with: [on the later of: (a) the date of execution; or (b) the effective date of the WSCC RMS Agreement.]]

~~3.2 Notice of Termination of WSCC RMS Agreement.~~ The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.

~~3.3 Termination by the Generator.~~ The Generator may terminate this Agreement as follows:

(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;

(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or

(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.

~~3.4 Termination by the Transmission Operator.~~ The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.

~~3.5 Mutual Agreement.~~ This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.

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#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

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~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~**6. THIRD PARTIES**~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~**7. REGULATORY APPROVALS**~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~**8. NOTICES**~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

**Transmission Operator:**

\_\_\_\_\_ California ISO  
\_\_\_\_\_ Roni Reese  
\_\_\_\_\_ 151 Blue Ravine Rd.  
\_\_\_\_\_ Folsom, CA 95630  
\_\_\_\_\_ Phone: (916) 608-7027  
\_\_\_\_\_ Facsimile: (916) 608-7292  
\_\_\_\_\_ E-mail: rreese@caiso.com

**Generator:**

\_\_\_\_\_ Coram California Development, L.P.  
\_\_\_\_\_ 200 Donald Lynch Blvd., Suite 300  
\_\_\_\_\_ Marlborough, MA 01752  
\_\_\_\_\_ Attention: Kim Osmars, COO and SVP, US Operations and  
\_\_\_\_\_ Development  
\_\_\_\_\_ Telephone: (508) 251-7700  
\_\_\_\_\_ Facsimile: (508) 485-5207

\_\_\_\_\_ with a copy to:

Coram California Development, L.P.  
14961 Ballou Circle  
Westminster, CA 92683  
Attention: Pam Waldow  
Phone (714) 418-1074  
Facsimile (714) 418-0405  
Email: pamwaldow@coramenergy.com

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

**9. ~~APPLICABILITY~~**

~~This Agreement (including all appendices hereto and, by reference, the WSCC Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

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#### **~~10. AMENDMENT~~**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

#### **~~11. INTERPRETATION~~**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

#### **~~12. PROHIBITION ON ASSIGNMENT~~**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

#### **~~13. SEVERABILITY~~**

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

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**14. COUNTERPARTS**

This Agreement may be executed in counterparts and each shall have the same force and effect as an original.

**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Coram California Development, L.P.**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

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## **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. The LVRT standard provides for a transition period standard and a post-transition period standard.~~

##### **~~Transition Period LVRT Standard~~**

~~The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

- ~~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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.~~
- ~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~

- ~~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, etc.) 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 network 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.~~

### ~~Post-transition Period LVRT Standard~~

~~All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 P**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 86 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Desert Sunlight 300, LLC, Desert Sunlight 250, LLC, and Desert Sunlight Holdings, LLC, SCE, and ISO, designated as SCE Service Agreement No. 86

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment Q - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1647**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Desert Sunlight 300, LLC, Desert Sunlight 250, LLC, and Desert Sunlight Holdings, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 86.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 86, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment R - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1647**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Desert Sunlight 300, LLC, Desert Sunlight 250, LLC, and Desert Sunlight Holdings, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 86.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 86, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

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

~~AMONG~~

~~DESERT SUNLIGHT HOLDINGS, LLC (AS SUCCESSOR TO FIRST SOLAR  
DEVELOPMENT, INC. AND OPTI SOLAR, INC, FORMERLY GEN 3  
SOLAR, INC.)~~

~~DESERT SUNLIGHT PV I & PV II PROJECTS)~~

~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~DESERT SUNLIGHT HOLDINGS, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** (“LGIA”) is made and entered into this 4th day of August 2010, by and among Desert Sunlight Holdings, LLC, a Corporation organized and existing under the laws of the State/Commonwealth of Delaware (“**Interconnection Customer**” with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party~~

~~consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.~~

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~———**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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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.~~

~~**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.. Version: 0.0.0 Effective: 8/10/2010~~

~~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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network~~

~~Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7 **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No "as-built" drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~ARTICLE 7. METERING~~

~~7.1—General.~~ Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the~~

~~other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~**9.9 Use of Interconnection Facilities by Third Parties.**~~

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

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

~~**9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement~~

must be made.

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that~~

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

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

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

~~**11.6—Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

**Southern California Edison Company**

By: /s/ David L. Mead

Title: Vice President

Date: August 4, 2010

**California Independent System Operator Corporation**

By: Keith E. Casey, PH.D

Title: Vice President, Market & Infrastructure Development

Date: August 4, 2010

**Desert Sunlight Holdings, LLC**

By: Lisa Bodensteiner

Title: Vice President Business Development

Date: August 3, 2010

## **Appendices to LGIA**

~~Appendix A—Interconnection Facilities, Network Upgrades and  
Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for a Wind Generating Plant~~

## **Appendix A To LGIA**

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

The Desert Sunlight PVI and Desert Sunlight PVII projects (previously the Eagle Mountain PVI and Eagle Mountain PVII projects, respectively) listed at position #146 and #147, for 150 MW and 400 MW, respectively, in the CAISO Controlled Grid Generation Queue ("CAISO Queue"), comprising a combined Generating Facility with a gross rated output of 550 MW as further defined in Appendix C are proposed to connect to the proposed Red Bluff 230kV bus.

The Interconnection Customer applied for full deliverability status with the CAISO and as such the Interconnection Customer's Interconnection Facilities, Participating TO's Interconnection Facilities, and the Network Upgrades were identified as required for the Desert Sunlight PV I and Desert Sunlight PV II projects to be deemed fully deliverable pursuant to the deliverability study.

The Participating TO's Interconnection Facilities and Network Upgrades described in this Appendix A to the LGIA are based on the Participating TO's best estimates from preliminary engineering and design and may be subject to modification to reflect the actual facilities that are constructed and installed following final engineering and design.

#### **1. Interconnection Facilities:**

a. **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall install:

- One set of 230kV disconnect switches to be located at the Desert Sunlight Project's switchyard that can be locked-out by the Participating TO's personnel.
- One 230kV generation tie-line from the Large Generating Facility to the last Interconnection Customer-owned dead-end tower located outside the Red Bluff Substation property line (Desert Sunlight 230kV Generation Tie-Line).
- Equip the 230kV generation tie-line with optical ground wire to provide a telecommunication path required for the line protection.
- All required CAISO-approved metering equipment.
- All required Participating TO metering equipment (voltage transformers with an accuracy of .3% and current transformers with an accuracy of .15%) which will be used for retail metering.
- A metering cabinet to house the retail meters in a location that provides the Participating TO 24-hour access.
- The following line protection relays: one G.E. L90 current differential relay and one SEL 311L current differential relay.

- ~~One 120-volt power supply for the remote terminal unit (“RTU”).~~

~~b. **Participating TO’s Interconnection Facilities:** The Participating TO shall:~~

~~**1. Desert Sunlight 230kV Generation Tie-Line**~~

~~—Install one span of 1590kcmil ACSR conductors (rated at 1,615-amps) and six dead-end insulator / hardware assemblies between Interconnection Customer’s last dead — end tower located one span outside the Red Bluff Substation property line and the Red Bluff Substation 230kV dead — end structure.~~

~~**2. Telecommunications:**~~

- ~~Install all fiber optic terminal equipment at Red Bluff Substation and the Generating Facility end of the Desert Sunlight 230kV Generation Tie-Line to support the line protection relays at each end of the line. Notwithstanding that the fiber optic telecommunications terminal equipment at the Generating Facility end of the Desert Sunlight 230kV Generation Tie-Line will be located on the Interconnection Customer’s side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain such terminal equipment and the fiber optic telecommunications circuit up to the first Interconnection Customer — owned structure outside the substation, as part of the Participating TO’s Interconnection Facilities.~~
- ~~Extend the Desert Sunlight 230kV Generation Tie-Line optical ground wire from the Interconnection Customer-owned last structure located one span outside the Red Bluff Substation property line to the Red Bluff Substation Communications Room.~~

~~**3. Power System Control at the Large Generating Unit:**~~

- ~~Install one RTU at the Generating Facility to monitor the typical Generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit and the project’s auxiliary load. Notwithstanding that the RTU will be located on the Interconnection Customer’s side of the Point of Change of Ownership, the Participating TO shall own, operate and maintain the RTU as part of the Participating TO’s Interconnection Facilities.~~

~~**4. Red Bluff Substation 230kV bus position 4**~~

- ~~One 80 feet high by 50 feet wide dead-end structure~~
- ~~Three 230kV 0.003MFD coupling capacitor voltage transformers~~
- ~~Three line tie downs~~
- ~~Three surge arrestors~~

## ~~2. Network Upgrades:~~

~~a) Stand Alone Network Upgrades: None.~~

~~b) Other Network Upgrades:~~

~~(i) Participating TO's Delivery Network Upgrades: None~~

~~(ii) Participating TO's Reliability Network Upgrades: The Participating TO shall:~~

### ~~1. Colorado River — Devers No.1 500kV Transmission Line~~

~~Loop the existing line in and out of Red Bluff Substation and form the two new Colorado River — Red Bluff and Devers — Red Bluff 500kV Transmission Lines.~~

- ~~• Install one new double circuit 500kV dead-end tower at Red Bluff Substation.~~
- ~~• Install two new single circuit 500kV dead-end towers at Red Bluff Substation.~~
- ~~• Remove one existing 500kV single circuit suspension structure from the Devers-Palo Verde No. 1 Transmission Line.~~
- ~~• Remove one span of 2-2156kcmil ACSR from the Devers — Colorado River Transmission Line.~~
- ~~• Install six new spans of 2-2156kcmil ACSR conductors between Devers and Red Bluff Substations.~~
- ~~• Install six spans of ½-inch steel overhead ground wire from the existing line to the substation dead — end structure at Red Bluff Substation.~~
- ~~• Install twenty four dead — end insulator / hardware assemblies with ninety six polymer insulators at Red Bluff Substation.~~

### ~~2. Red Bluff Substation~~

~~500kV Switchyard:~~

~~Operating Buses~~

~~Install the following equipment to form the new north and south buses:~~

- ~~• Eight 60 feet high x 90 feet wide bus dead-end structures~~
- ~~• Thirty six bus dead-end insulator assemblies~~
- ~~• Six 500kV coupling capacitor voltage transformers with steel pedestals~~
- ~~• 3-2156kcmil ACSR bus conductors, as required~~

~~Positions 1 and 2:~~

~~Positions left vacant for future use.~~

~~Position 3:~~

~~Install the following equipment for a new double-breaker bank position on a breaker-and-a-half configuration to connect the No.1 500/230kV Transformer Bank:~~

- ~~• One 108 feet high by 90 feet wide dead-end structure~~
- ~~• Two 500kV — 4000A — 50kA circuit breakers~~
- ~~• Four 500kV horizontal-mounted group-operated disconnect switches~~
- ~~• One grounding switch attachment~~
- ~~• Fifteen 500kV bus supports with associated steel pedestals~~
- ~~• 2-2156kcmil ACSR conductors, as required~~

~~Position 4:~~

~~Install the following equipment for a new three-breaker line position on a breaker-and-a-half configuration to terminate the Colorado River and Devers 500kV Transmission Lines being looped into the station:~~

- ~~• Two 108 feet high by 90 feet wide dead-end structures~~
- ~~• Three 500kV 4000A — 50kA circuit breakers~~
- ~~• Six 500kV 4000A — 80kA horizontal-mounted group-operated disconnect switches~~
- ~~• Two grounding switch attachments~~
- ~~• Six 500kV bus supports with associated steel pedestals~~
- ~~• Six 500kV coupling capacitor voltage transformers with steel pedestals~~
- ~~• Six 500kV surge arresters with associated steel pedestals~~
- ~~• Six 500kV wave traps with line tuners~~
- ~~• Three 200 feet “Diagonal Spans” with 2-2156kcmil ACSR conductors  
(Approximately 600 feet of conductors) from position 4-N to position 5-S~~
- ~~• Six insulator / hardware dead-end assemblies for “Diagonal Span”~~
- ~~• 3-2500kcmil ACSR conductors, as required~~

~~Position 5:~~

~~Install one 108 feet high by 90 feet wide dead-end structure to terminate the Colorado River 500kV Transmission Line and transfer the conductors via three 200 feet “Diagonal Spans” to Position 4-N.~~

~~Position 6:~~

~~Position left vacant for future use.~~

~~Mechanical – Electrical Equipment Room (MEER):~~

~~Install a new MEER Building to house the following equipment:~~

- ~~• Batteries and battery charger~~
- ~~• Light & power selector switch~~
- ~~• Light & power panel~~
- ~~• A.C. distribution panel~~

- ~~D.C. distribution panel~~

#### ~~Protection Relays~~

##### ~~500kV Switchyard:~~

- ~~Twelve GE SBD11B bus differential relays~~
- ~~Five GE C60 breaker management relays~~
- ~~Two SEL-421 distance relays with RFL 9780 power line carrier POTT~~
- ~~Two GE L90 line current differentials (digital communication channel)~~
- ~~Two GE D60 distance relays (digital communication channel)~~
- ~~Two RFL 9745 tele-protection channel DTT (digital communication channel)~~
- ~~Four RFL 9780 FSK power line carrier DTT~~

##### ~~Other Station Elements to be Installed:~~

- ~~8,000 linear feet of 8-foot prefabricated perimeter wall with inside barbed wire to cover an approximate area of 2,000 feet by 2,000 feet.~~
- ~~2,000 linear feet of 8-foot fence to separate the 2,000 feet by 2,000 feet area inside the perimeter fence into two 2,000 feet by 1,000 feet areas.~~
- ~~Two 20-foot double-door driveway gates~~
- ~~Grounding grid to cover a 2,000 feet by 1,000 feet area~~
- ~~4-inch rock dust to cover a 2,000 feet by 1,000 feet area.~~
- ~~Approximately 3,000 linear feet of internal 25-foot wide paved driveway~~
- ~~Approximately 2,000 linear feet of control cable trench~~

##### ~~500/230kV Transformer Bank:~~

~~Install one 1120MVA 500/161-230kV transformer bank as follows:~~

- ~~Four 373MVA 500/161-230kV single-phase units, including one spare unit.~~
- ~~Three 500kV surge arresters~~
- ~~Three 230kV surge arresters~~
  - ~~One standard four-position transformer structure with all the required 500kV and 230kV bus-work to allow for the connection of the four single-phase units.~~

##### ~~One 13.8kV tertiary bus equipped as follows:~~

- ~~Five 13.8kV—2000A—17kA circuit breakers~~
- ~~Fifteen 13.8kV hook-stick disconnect switches~~
- ~~Five 13.8kV 45MVAR reactors~~
- ~~One ground bank detector (3—5kVA 14400-120/240V transformers)~~
- ~~One 14400V-120V voltmeter potential transformer~~

- ~~One Voltmeter~~
- ~~Three 40E standard size 4 S&C type fuses~~
  - ~~2-2156kcmil AGSR conductors as required for the connections to each 500kV and 230kV bank positions.~~
- ~~230kV Switchyard:~~
- ~~Operating Buses~~
- ~~Install the following equipment to form the new north and south buses:~~
  - ~~Four 45 feet high x 45 feet wide bus dead-end structures~~
  - ~~Twelve bus dead-end insulator assemblies~~
  - ~~Six 230kV coupling capacitor voltage transformers with steel pedestals~~
  - ~~2-1590kcmil AGSR bus conductors as required~~
- ~~Positions 1 and 2:~~
- ~~Positions left vacant for future use.~~
- ~~Position 3:~~
- ~~Install the following equipment for a new double-breaker bank position on a breaker-and-a-half configuration to connect the No.1 500/230kV transformer bank:~~
  - ~~One 80 feet high by 50 feet wide dead-end structure~~
  - ~~Two 230kV 3000A — 50kA circuit breakers~~
  - ~~Four 230kV 3000A — 80kA horizontal-mounted group-operated disconnect switches~~
  - ~~One grounding switch attachment~~
  - ~~Eighteen 230kV bus supports with associated steel pedestals~~
  - ~~2-1590kcmil AGSR conductors as required~~
- ~~Position 4:~~
- ~~Install the following equipment for a new double breaker line position on a breaker-and-a-half configuration to terminate the Desert Sunlight 230kV Generation Tie-Line:~~
  - ~~Two 230kV 3000A — 50kA circuit breakers~~
  - ~~Four 230kV 3000A — 80kA horizontal-mounted group-operated disconnect switches~~
  - ~~One grounding switch attachment~~
  - ~~Eighteen 230kV bus supports with associated steel pedestals~~
  - ~~2-1590KCMIL AGSR conductors as required~~
- ~~500/230kV transformer bank protection relays:~~
  - ~~One GE T60 transformer differential relay.~~
  - ~~One SEL-387 transformer differential relay.~~
  - ~~One GE C30 transformer/ground bank sudden pressure auxiliary relay~~
- ~~230kV switchyard protection relays:~~
  - ~~Twelve GE SBD11B bus differential relays~~
- ~~Four GE C60 breaker management relay~~
- ~~One GE L90 line current differential (digital communication channel)~~

- ~~One SEL-311L line current differential relay (digital communication channel)~~
- ~~One digital fault recorder~~

### ~~3. Colorado River Substation~~

~~Reset and test line protection relays on the Devers No.1 500kV Transmission Line position when the line becomes the Red Bluff 500kV Transmission Line.~~

### ~~4. Devers Substation~~

~~Reset and test line protection relays on the Colorado River No.1 500kV Transmission Line position when the line becomes the Red Bluff 500kV Transmission Line.~~

### ~~5. Power System Control at Red Bluff Substation:~~

~~Install one RTU at the new Red Bluff Substation to monitor MW, MVAR, and phase amps at the transformer bank and each line and also kV at the bank and each line and buses and all circuit breaker status/control, protection relays status and alarms.~~

### ~~6. Transmission Projects Licensing:~~

~~Perform all required functions to obtain licensing and permitting of all Participating TO owned facilities~~

### ~~7. Environmental Health and Safety~~

~~Perform all required functions to perform the required level of environmental analysis, review, and reporting for all Participating TO owned facilities~~

### ~~8. Corporate Real Estate:~~

~~Perform all required functions to obtain easements and/or land acquisition for all Participating TO owned facilities~~

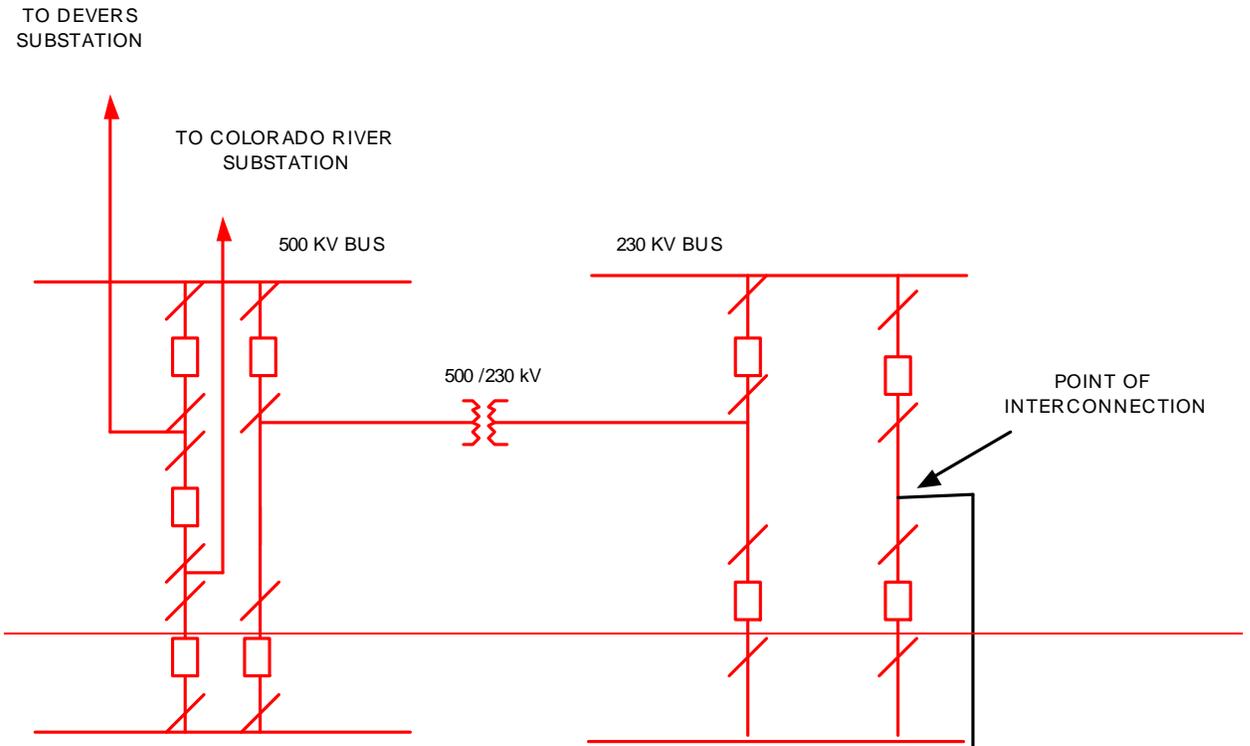
~~**Note:** A 10-mile segment of the existing Desert Center 12kV Circuit between the Eagle Mountain and Red Bluff Substations will be upgraded and the circuit will be tapped into the new station to provide a 750kVA alternative source of station light and power.~~

### ~~3. Distribution Upgrades: None~~

~~**4. Point of Change of Ownership:** The south facing insulator attached to the Interconnection Customer's dead-end tower on the Desert Sunlight 230kV Generation Tie Line located directly outside the Red Bluff Substation property line. The Interconnection Customer owns the dead-end structure, north facing insulators and conductors, and the jumper loop. The Participating TO owns the south facing insulators and right of way from dead-end structure to the Red Bluff Substation.~~

~~5. Point of Interconnection: The Participating TO's Red Bluff Substation  
230kV bus~~

~~6. One-Line Diagram of Interconnection to Red Bluff Substation~~



POINT OF CHANGE OF OWNERSHIP

PTO

IC

**LEGEND**

GENERATOR 

TRANSFORMER 

CIRCUIT BREAKER 

DISCONNECT 

INTERCONNECTION  
CUSTOMER-OWNED  
DEAD END STRUCTURE 

230 KV / 34.5

550 MW  
GENERATING FACILITY



~~7. **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~a. **Abandoned Plant Approval:** A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such project is abandoned due to circumstances outside of the Participating TO's control.~~

~~b. **Accounting Practice:** Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~c. **The American Recovery and Reinvestment Act ("ARRA"):** An act of the United States Government published in 2009 (Pub. L. 111-5) (as the same may be amended or interpreted from time to time).~~

~~d. **Capital Additions:** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~e. **CPUC:** The California Public Utilities Commission, or its regulatory successor.~~

~~f. **Credit Support:** A parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

- ~~g. Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~
- ~~h. Davis-Bacon Act: An act of the United States Government identified as 40 United States Code 267a et. seq., and related acts and regulations (as the same may be amended or interpreted from time to time).~~
- ~~i. Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~
- ~~j. Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~
- ~~k. Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~
- ~~l. Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~
- ~~m. ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A.~~
- ~~n. Labor Laws: Laws required by the United States Government regarding labor issues, as stated in the Davis-Bacon Act, the Office of Federal Contract Compliance Programs Requirements and any other acts and regulations related thereto (as the same may be amended or interpreted from time to time).~~

- ~~o. Letter Agreement: The agreement between the Interconnection Customer and the Participating TO executed on November 3, 2009, Service Agreement No. 69, under which SCE's siting study for Red Bluff Substation commenced.~~
- ~~p. One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Network Upgrades and Capital Additions which are not capitalized.~~
- ~~q. Red Bluff Substation: A 500/230kV substation that is owned by the Participating TO, located near Desert Center, California, and that loops in the Devers-Colorado River No. 1 500kV Transmission Line.~~
- ~~r. Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 14 of this Appendix A.~~
- ~~s. Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~t. Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~
- ~~u. Sharing Agreement: Agreement between the Interconnection Customer and its two wholly owned subsidiaries to provide for ownership, operations, and maintenance of the Large Generating Facility pursuant to this LGIA.~~
- ~~v. Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~
- ~~w. Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. Transmission Credits**: Subject to Section 12(d) of this Appendix A, no transmission credits are applicable since this LGIA assumes that the~~

~~Participating TO will up-front finance the Network Upgrades as described in Section 2 of this Appendix A. If Abandoned Plant Approval is not received, this LGIA shall be amended and the Interconnection Customer shall make its election pursuant to Article 11.4 at that time.~~

~~**9. Security Amount for the Participating TO's Interconnection Facilities and Network Upgrades:**~~

- ~~(a) Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall;~~
- ~~I. Provide Credit Support in the amount of \$1,845,000.00 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities.~~
  - ~~II. Provide Credit Support in the amount of \$3,851,000.00 to cover the Participating TO's estimated costs to be incurred through November 2010 associated with commencing design, final engineering, environmental related work, and the application for a permit to construct to the CPUC for the Network Upgrades.~~
  - ~~III. In the absence of Abandoned Plant Approval, provide additional Credit Support sufficient to cover the cost to continue with the work authorized pursuant to Article 5.5.2. The amount of additional Credit Support required shall be estimated at such time it is required by the Participating TO based upon the most recent cost information available to the Participating TO and will be reflected in an amendment to this LGIA.~~
- ~~(b) In the absence of Abandoned Plant Approval, the Participating TO shall not perform any work on the Network Upgrades without sufficient Credit Support from the Interconnection Customer. The disposition of any Credit Support released by the Participating TO shall be directed by the Interconnection Customer. Credit Support related to the Network Upgrades shall be released by the Participating TO within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval.~~

~~**10. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

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

~~$\text{Estimated tax liability} = 35\% * (\text{Interconnection Facilities Cost}) = 35\% * (\$1,845,000.00) = \$645,750.00$~~

Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$645,750.00, pursuant to Article 5.17.3 and Appendix B of the LGIA.

**11. Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

## **12. Charges:**

- a. The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Interconnection Facilities Payment; (ii) payments for any Capital Additions; (iii) Interconnection Facilities Charge; (iv) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (v) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (vi) termination charges pursuant to Article 2.4 of the LGIA; (vii) disconnection costs pursuant to Article 2.5 of the LGIA, and (viii) suspension costs pursuant to Article 5.16 of the LGIA.
- b. The Interconnection Facilities Cost, Participating TO's Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.
- c. If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be reviewed by the Participating TO and may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.
- d. The Participating TO commits to up-front finance the Reliability Network Upgrades Cost and the associated One-Time Cost for the Network Upgrades specifically identified in Section 2 of this Appendix A,

~~contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~

- ~~i. Abandoned Plant Approval~~
- ~~ii. Continued achievement of development milestones by the Interconnection Customer, as described in Table 1 below:~~

### **~~Participating TO Transmission Development and Interconnection Customer Generation Development Milestones and Decision Points~~**

~~The Parties acknowledge that the Interconnection Customer's original requested In-Service Date for the Participating TO's Interconnection Facilities and Network Upgrades of July 2008 was not feasible due to the transmission upgrades necessary to accommodate the full amount of electrical output listed in the Interconnection Request. The Interconnection Customer has requested that the Participating TO complete the necessary upgrades to support the Interconnection Customer's revised in-service date of the Desert Sunlight Project to June 2012. The Participating TO's estimated schedule for an In-Service Date for the Participating TO's Interconnection Facilities and Network Upgrades is December 30, 2013. The Participating TO has agreed to use Reasonable Efforts to achieve the Interconnection Customer's requested in-service date of the Desert Sunlight Project. The Participating TO has also agreed to up-front finance the Network Upgrades under the terms specified in this Section 12(d) and move forward subject to the Interconnection Customer also moving forward on its schedule and achieving certain milestones as identified in Table 1 below. The Parties have agreed that it is prudent to remain in synch with respect to the schedule of Red Bluff Substation and the Desert Sunlight PV Project so that neither the Participating TO nor the Interconnection Customer develops facilities in a time and at a pace that is inconsistent with the development of the other's facilities.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

**Group 1 Milestones and Decision Point #1**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
		Interconnection Customer secures final Site Control	
Participating TO applies for Abandoned Plant Approval			
Participating TO commences final design and engineering of the substation and loop-in of the 500kV transmission.		Interconnection Customer provides security for final design and engineering, environmental work and the application for the Permit to Construct.	

DECISION POINT #1: Following completion of all Group 1 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones. Parties exercise options as outlined in Table 2

**Group 2 Milestones and Decision Point #2**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO receives Abandoned			

Plant Approval <sup>(1)</sup>				
Participating TO receives the final, non-appealable Record of Decision from the BLM for the Desert Sunlight Project <sup>(1)</sup> to use as documentation for the related proceeding at the CPUC, and complete the Permit to Construct filing for Red Bluff Substation			Interconnection Customer secures final, non-appealable Bureau of Land Management (BLM) Record of Decision (ROD) granting right-of-way (ROW) for the Desert Sunlight Project and 230kV Generation Tie-Line <sup>(2)</sup>	
<p>DECISION POINT #2: Following completion of all Group 2 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones. Parties exercise options as outlined in Table 2</p>				
<p><b>Group 3 Milestones and Decision Point #3</b></p>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
Participating TO receives all required licenses/permits, including Permit to Construct from CPUC, and ROD/ROW decision from BLM <sup>(1)</sup>			Interconnection Customer selects EPC contractor	
Participating TO completes final engineering and design of the Network Upgrades			Interconnection Customer secures financing to construct the Desert Sunlight Project	
<p>DECISION POINT #3: Following completion of all Group 3 milestones by the Participating TO, the Interconnection</p>				

~~Customer must demonstrate that it has completed all of its Group 3 milestones, within thirty (30) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2~~

**Group 4 Milestones and Decision Point #4**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
<del>Participating TO selects and mobilizes EPC contractor<sup>(3)</sup></del>		<del>Interconnection Customer mobilizes EPC contractor<sup>(4)</sup></del>	

~~DECISION POINT #4: Following completion of all Group 4 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2~~

**Group 5 Milestones and Decision Point #5**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
<del>Participating TO commences construction of the Network Upgrades</del>		<del>Interconnection Customer commences construction of the Desert Sunlight Project including the Desert Sunlight 230kV Generation Tie-Line.</del>	
<del>DECISION POINT #5: Following completion of all Group 5 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within thirty (30) days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2</del>			
<b>Group 6 Milestones and Decision Point #6</b>			
<b>Participating TO Milestone</b>	<b>Comments</b>	<b>Interconnection Customer Milestone</b>	<b>Comments</b>
<del>Participating TO energizes the Network Upgrades, enabling commercial operation of the Desert Sunlight Project</del>		<del>Initial parallel connection of the Desert Sunlight Project synchronized to Participating TO grid for testing</del>	
		<del>Commercial operation of Desert Sunlight Project</del>	
<del>DECISION POINT #6: Following completion of all Group 6 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 6 milestones within twenty-four (24) months of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2</del>			

**Footnotes:**

- ~~(1) Outside the control of the Participating TO~~
- ~~(2) Outside the control of the Interconnection Customer~~
- ~~(3) Linked to item outside the control of the Participating TO~~
- ~~(4) Linked to item outside the control of the Interconnection Customer~~

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A—The Participating TO has the following options:*

At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades.

If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:

- 1) Confirm its commitment to finance Network Upgrades (but have no obligation to do so)
- 2) Discontinue its commitment to finance Network Upgrades, in which case Network Upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.
- 3) Terminate the LGIA, subject to termination provisions in the LGIA, and section 12(h) of Appendix A.
- 4) Other actions mutually agreeable to both parties

*Table 2B—The Interconnection Customer has the following options:*

At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.

If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:

- 1) Continue to develop its Generating Facility (but have no obligation to do so)
- 2) Adjust its development milestones in Table 1 above, day-for-day, as appropriate, to the Participating TO's new timetable(s)
- 3) Terminate the LGIA, subject to termination provisions in the LGIA, and section 12(h) of Appendix A.
- 4) Other actions mutually agreeable to both parties

~~Upon a Party reaching a Decision Point described in Table 1 above, that Party shall provide written notice to the other Parties. At the time of such notice, a window of thirty (30) Calendar Days shall open and each Party shall have thirty (30) Calendar Days to notify the other Party of what, if any, option it has elected to take. The Parties may extend this window by mutual agreement and may exercise option 4 as well. If a Party does not exercise any option during the thirty (30) Calendar Day window, then it shall be deemed to have elected option 1.~~

~~The termination provisions provided in option 3 of Table 2A and Table 2B above are in addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~In case of a conflict in terms contained in this Section 12(d) and the terms in the CAISO Tariff or in the LGIA Articles, the terms of the CAISO Tariff and the LGIA Articles, shall apply.~~

~~(e) The Participating TO will refund the amount received from the Interconnection Customer under the Letter Agreement within Thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval. Such refund shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date of receipt of payment to the date on which the Interconnection Customer receives such refund.~~

~~(f) In the event that the Participating TO does not receive Abandoned Plant Approval, the Parties agree to enter into good faith negotiations to amend this LGIA, as necessary, in order to reflect the financing responsibilities and required security for the Network Upgrades.~~

~~(g) The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above and in Section 12 (d)(ii) shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above and in Section 12 (d)(ii) shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 12(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(h) Under Section 12(d) if the Interconnection Customer does not meet any one of the milestones specified in Table 1 above, (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above) by the completion of the corresponding Participating TO Milestone and Decision Point, this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each~~

~~milestone in Table 1 of Section 12(d) shall be extended for each day that Force Majeure delays a Party from achieving such milestone.~~

~~Notwithstanding anything to the contrary in Table 2A under Sections 12(d) or 12(h), the Participating TO shall not file to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 12(d) if the Parties reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Network Upgrades within sixty (60) Calendar Days after the Participating TO's notification of the Participating TO exercising options 2 or 3 of Table 2A under Section 12(d) of Appendix A.~~

~~(i) Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~

~~(j) The Participating TO is under no obligation to finance (1) the cost of any material modifications to the Network Upgrades, or (2) any Network Upgrades Costs in excess of \$240 million. The Participating TO's consent to financing the cost of any material modification to the Network Upgrades, or any Network Upgrades cost in excess of \$240 million, is at its sole discretion. In the event that material modifications to the Network Upgrades result in an increase in the costs of the Network Upgrades, or if the cost of the Network Upgrades as identified in Section 2 of this Appendix A are estimated to be more than \$240 million, then the Parties agree to enter into good faith negotiations to amend this LGIA, as necessary, in order to reflect the financing responsibilities for the increased costs associated with the material modification to the Network Upgrades or the increased estimated cost.~~

~~(k) At no time will the Participating TO require payment from the Interconnection Customer for any Reliability Network Upgrades Costs and associated One-Time Costs for which Abandoned Plant Approval has been obtained, provided that the subject Reliability Network Upgrades Costs and associated One-Time Costs are incurred while the Interconnection Customer is current in meeting its development milestones pursuant to Section 12(d).~~

~~(l) Upon the Effective Date, subject to the terms and conditions of this LGIA, the Participating TO shall commence design, engineering, procurement and construction, and continue with permitting of, the Participating TO's Interconnection Facilities and Network Upgrades, provided that the Interconnection Customer has given its authorization to start or continue with work under this LGIA and that Credit Support for the authorized work has been provided.~~

~~(m) The Participating TO shall endeavor to file with FERC for the Abandoned Plant Approval within sixty (60) calendar days of the execution and filing of this~~

~~LGIA. The Participating TO shall consult with the Interconnection Customer regarding such filing.~~

~~(n) Each Party shall make Reasonable Efforts to support the other Party's key regulatory processes and filings to achieve the in-service date specified in Appendix B for the Desert Sunlight Project.~~

~~(o) The Participating TO and the Interconnection Customer shall provide the other Parties a monthly status report, including all supporting documentation, regarding (i) in the case of the Participating TO, progress towards obtaining the Abandoned Plant Approval and the Participating TO progress in carrying out the design, procurement and construction of the Participating TO's Interconnection Facilities and the Network Upgrades and (ii) in the case of the Interconnection Customer, progress towards satisfying the milestones in Table 1 of this Appendix A and the Interconnection Customer's progress in carrying out the design, procurement and construction of the Interconnection Customer's Interconnection Facilities. The Participating TO and the Interconnection Customer agree to provide the other Parties its concurrence or exception to the Party that is claiming to have reached one of its milestones, in accordance with Table 2(A) and Table 2(B).~~

### **13. Supplemental Billing and Payment Provisions:**

~~a. Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment.~~

~~b. Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.~~

~~i. If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

- ~~ii. If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~In the event that any portion of the Participating TO's Interconnection Facilities is not complete but, at the request of the Interconnection Customer, the Participating TO commences interconnection service under this LGIA notwithstanding the incomplete facilities, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

- ~~e. In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~
  - ~~i. For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include a description of the reason for the Capital Additions to be added, the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~
  - ~~ii. Except as provided in Section 7(d) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~
  - ~~iii. Except as provided in Section 7(d) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the~~

~~Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

- ~~d. \_\_\_\_\_ As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates, as well as the reasons for such deviations. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~
- ~~e. \_\_\_\_\_ If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~
- ~~f. \_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges~~

~~provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

~~**14. Interconnection Facilities and Reliability Network Upgrades Cost Summary:**~~

~~(a) Estimated Cost: (2016 dollars)~~

<b>No</b>	<b>ELEMENT</b>	<b>INTERCONNECTIO N-FACILITIES COST</b>	<b>-RELIABILITY NETWORK UPGRADES COST*</b>	<b>ONE- TIME COST</b>	<b>TOTAL</b>
1	Desert Sunlight 220kV Generation Tie-Line	\$158,000.00			\$158,000.00
2	Red Bluff Substation	\$746,000.00	\$115,552,000.00		\$116,298,000.00
3	Telecommunication	\$855,000.00			\$855,000.00
4	Power System Control-Generating Facility	\$86,000.00			\$86,000.00
5	Colorado River -- Devers No.2 500kV T/L -- Loop into Red Bluff Sub.		\$12,711,000.00		\$12,711,000.00
6	Colorado River Substation -- Relays setting and Test		\$76,000.00		\$76,000.00
7	Devers Substation -- Relays Setting and Test		\$49,000.00		\$49,000.00
8	Power System Control-Red Bluff Substation		\$57,000.00		\$57,000.00
9	Transmission Projects Licensing		\$976,000.00		\$976,000.00
10	Environmental Licensing and Execution		\$15,864,000.00		\$15,864,000.00
11	Corporate Real Estate		\$73,000.00		\$73,000.00
-	<b>Total</b>	<b>\$1,845,000.00</b>	<b>\$145,358,000.00</b>	<b>\$0.00</b>	<b>\$147,203,000.00</b>

\*The Reliability Network Upgrades Cost is provided for information only.

(b) Actual Cost:

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

No	ELEMENT	INTERCONNECTIO N FACILITIES COST	RELIABILITY NETWORK UPGRADES COST	ONE- TIME COST	TOTAL
1	Desert Sunlight 220kV Generation Tie-Line				
2	Red Bluff Substation				
3	Telecommunication				
4	Power System Control-Generating Facility				
5	Colorado River - Devers No.2 500kV T/L - Loop into Red Bluff Sub.				
6	Colorado River Substation - Relays setting and Test				
7	Devers Substation - Relays Setting and Test				
8	Power System Control-Red Bluff Substation				
9	Transmission Projects Licensing				
10	Environmental Licensing and Execution				
11	Corporate Real Estate				
-	<b>Total</b>				

**15. Interconnection Facilities Charge:**

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

Effective	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge Based on Estimated Cost	Actual Interconnection Facilities Cost	Interconnection Facilities Charge based on actual cost
As of the Interconnection Facilities Completion Date	0.38%	\$1,845,000.00	\$7,011.00	{to be inserted after true-up}	{to be inserted after true-up}

**16. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades:**

An estimate of the monthly incurred costs is as shown below. [Note: This estimate assumes that the LGIA has been executed and work under this LGIA starts by 08/01/10 to achieve an 11/30/13 In-Service Date.]

Payment No.	Interconnection Facilities Cost	Reliability Upgrades Cost	Project Payment (Total Monthly Payment)	Due Date	Due Date
-	(A)	(B)	(C=A+B)	-	-
1	\$0.00	\$500,000.00	\$500,000.00	Paid*	Paid*
2	\$0.00	\$0.00	\$0.00	-	9/30/2010
3	\$0.00	\$0.00	\$0.00	-	10/30/2010
4	\$0.00	\$0.00	\$0.00	-	11/30/2010
5	\$0.00	\$0.00	\$0.00	-	12/30/2010
6	\$0.00	\$0.00	\$0.00	-	1/30/2011
7	\$0.00	\$0.00	\$0.00	-	2/28/2011
8	\$0.00	\$0.00	\$0.00	-	3/30/2011

9	\$0.00	\$0.00	\$0.00	-	4/30/2011
10	\$0.00	\$0.00	\$0.00	-	5/30/2011
11	\$0.00	\$0.00	\$0.00	-	6/30/2011
12	\$0.00	\$0.00	\$0.00	-	7/30/2011
13	\$0.00	\$0.00	\$0.00	-	8/30/2011
14	\$0.00	\$0.00	\$0.00	-	9/30/2011
15	\$0.00	\$0.00	\$0.00	-	10/30/2011
16	\$0.00	\$0.00	\$0.00	-	11/30/2011
17	\$0.00	\$0.00	\$0.00	-	12/30/2011
18	\$0.00	\$0.00	\$0.00	-	1/30/2012
19	\$0.00	\$0.00	\$0.00	-	2/28/2012
20	\$0.00	\$0.00	\$0.00	-	3/30/2012
21	\$182,889.00	\$0.00	\$182,889.00	-	4/30/2012
22	\$182,889.00	\$0.00	\$182,889.00	-	5/30/2012
23	\$182,889.00	\$0.00	\$182,889.00	-	6/30/2012
24	\$182,889.00	\$0.00	\$182,889.00	-	7/30/2012
25	\$182,889.00	\$0.00	\$182,889.00	-	8/30/2012
26	\$182,889.00	\$0.00	\$182,889.00	-	9/30/2012
27	\$182,889.00	\$0.00	\$182,889.00	-	10/30/2012
28	\$182,889.00	\$0.00	\$182,889.00	-	11/30/2012
29	\$0.00	\$0.00	\$0.00	-	12/30/2012
30	\$0.00	\$0.00	\$0.00	-	1/30/2013
31	\$0.00	\$0.00	\$0.00	-	2/28/2013
32	\$0.00	\$0.00	\$0.00	-	3/30/2013
33	\$0.00	\$0.00	\$0.00	-	4/30/2013
34	\$0.00	\$0.00	\$0.00	-	5/30/2013
35	\$0.00	\$0.00	\$0.00	-	6/30/2013
36	\$0.00	\$0.00	\$0.00	-	7/30/2013
37	\$381,888.00	\$0.00	\$381,888.00	-	8/30/2013
38	\$0.00	\$0.00	\$0.00	-	9/30/2013
39	\$0.00	\$0.00	\$0.00	-	10/30/2013
40	\$0.00	\$0.00	\$0.00	-	11/30/2013
41	\$0.00	\$500,000.00	-\$500,000.00	-	12/30/13
<b>Total</b>	<b>\$1,845,000.00</b>	<b>\$0.00</b>	<b>\$1,845,000.00</b>	<b>-</b>	<b>-</b>

~~\*Paid pursuant to the Letter Agreement. These costs shall be refunded to the Interconnection Customer pursuant to Section 12(e) of this Appendix A.~~

~~Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$1,845,000.00~~

~~The Reliability Network Upgrades Payment is \$0.00~~

~~**17. Other Potential Facilities:**~~

~~The Interconnection Customer understands and acknowledges that the Interconnection of the Desert Sunlight Project is dependent upon certain network upgrades which are currently the cost responsibility of projects ahead of the Desert Sunlight Project in the interconnection application queue. In the event (i) a project in the queue ahead of the Desert Sunlight Project is withdrawn from the queue, or (ii) it is determined by the Participating TO or the CAISO that some or all of the network upgrades currently assigned to earlier-queued projects are no longer required by such projects, the Interconnection Customer may be responsible for an amount up to the maximum cost exposure of the network upgrades identified in this Appendix A, Section 17. Such additional other potential facilities or network upgrades are taken from the Interconnection Facilities Study.~~

~~If any of the aforementioned conditions occur, the Participating TO will conduct a study to determine the need for any additional facilities or modifications to the Participating TO's electric system required to interconnect the Desert Sunlight Project. The Interconnection Customer's revised cost responsibility for the network upgrades, and for any such additional facilities or modifications, if any, would be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval.~~

~~The Interconnection Customer may be responsible for all or a portion of the following other network upgrades, under the conditions described above.~~

<del>Element</del>	<del>Maximum Cost Exposure – Other Potential Facilities cost</del>
<del>Mira Loma Substation: Upgrade six (6) 40kA 500kV circuit breakers to a 50kA rating by obtaining nameplate replacement and re-certification from the manufacturer</del>	<del>\$37,000.00</del>
<del>Devers Substation: Upgrade two (2) 40kA and eight (8) 50kA 220kV circuit breakers to a 63kA rating and replace</del>	<del>\$6,663,000.00</del>

seven (7) 40kA 220kV circuit breakers with new 63kA rated circuit breakers	
Lugo Substation: Upgrade three 500kV circuit breakers	\$732,000.00
<b>Total</b>	<b>\$7,432,000.00</b>

**Appendix B  
To LGIA**

**Milestones**

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of security for the Participating TO's Interconnection Facilities, and for final engineering and procurement of the Network Upgrades to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA, subject to Section 9 of Appendix A.	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Record of Decision related to the Desert Sunlight Project from the Bureau of Land Management and the Permit to Construct from the CPUC
(e)	Submittal of security for the		

	estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	One month prior to the month the work starts on the Participating TO's Interconnection Facilities, which is estimated to be December 1, 2011.
<del>(f)</del>	<del>Completion of the Participating TO's Interconnection Facilities and Network Upgrades</del>	<del>Participating TO</del>	<del>Within forty (40) months following the Effective Date* which is estimated to be December 30, 2013, provided items (a) – (e) are provided timely.</del>
<del>(g)</del>	<del>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Desert Sunlight PV Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date</del>
<del>(h)</del>	<del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(i)</del>	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(j)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(k)</del>	<del>Submittal of final specifications for the Interconnection</del>		

	<del>Customer's Interconnection Facilities and Desert Sunlight Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date.</del>
<del>(l)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
<del>(m)</del>	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date</del>
<del>(n)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least thirty (30) Calendar Days prior to the In-Service Date</del>
<del>(o)</del>	<del>In-service date of the Interconnection Customer's Interconnection Facilities</del>	<del>Interconnection Customer</del>	<del>12/30/13</del>
<del>(p)</del>	<del>Initial Synchronization Date</del>	<del>Interconnection Customer</del>	<del>12/30/13</del>
<del>(q)</del>	<del>Trial Operation Date</del>	<del>Interconnection Customer</del>	<del>12/30/13</del>
<del>(r)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(s)</del>	<del>Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Desert Sunlight Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date</del>
<del>(t)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Desert Sunlight</del>		<del>At least fifteen (15)</del>

	<del>Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>Calendar Days prior to the Initial Synchronization Date</del>
<del>(u)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>Twenty-four (24) months after the Initial Synchronization Date</del>
<del>(v)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>

~~Note: The Interconnection Customer, CAISO and the Participating TO understand and acknowledge that such timeline is the Participating TO's best estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual In-Service Date beyond that specified.~~

~~The Participating TO shall cause the agreements with contractors for the design, procurement and construction of the Participating TO's Interconnection Facilities and Network Upgrades to include schedules commensurate with the estimated In-Service Date pursuant to line item (f) of this Appendix B. The Interconnection Customer has requested a June 2012 In-Service Date for the Participating TO's Interconnection Facilities and Network Upgrades and the Participating TO will use Reasonable Efforts to expedite the schedule to comply with the requested In-Service Date.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the Desert Sunlight Project may require re-evaluation due to the suspension of the project and (1) changes to the Participating TO's electrical system, or (2) the addition of new generation.~~

## **Appendix C To LGIA**

### **Interconnection Details**

~~1. **Generating Facility:** All equipment and facilities comprising the Desert Sunlight Generating Facility in Desert Center, California, as disclosed by the Interconnection Customer in its interconnection applications and final information submission pursuant to Article 24.3. The application related to queue position #146 in the CAISO Queue consists of three hundred (300) 0.5 MW inverters stepped up to a 34.5 medium voltage collector system and a 230/34.5kV transformer (Desert Sunlight PV I). The application related to queue position #147 in the CAISO Queue consists of eight hundred (800) 0.5 MW inverters stepped up to a 34.5 medium voltage collector system and three (3) 230/34.5kV transformers (Desert Sunlight PV II). Both projects include meters and metering equipment and appurtenant equipment, and both projects combined constitute the "Desert Sunlight Project".~~

~~2. **Interconnection Customer Operational Requirements.**~~

- ~~(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Desert Sunlight Project and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.~~
- ~~(b) The Desert Sunlight Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~
- ~~(c) The Reactive Power and voltage regulation requirements of Article 9.6 can be met with mechanically switched shunt devices provided that the step size is coordinated with the Participating TO so as to not cause excessive step voltage changes on the Participating TO's facilities and provided that automated control is implemented based on real-time production of generation from the Large Generating Unit to ensure adequate reactive resources are in-service to supply for the Large Generating Unit's requirements. The Participating TO shall review and require modification to the automated control feature of the mechanically switched shunt devices to ensure the switching coordination appropriately addresses real-time system operations, if~~

necessary. As the Desert Sunlight Project is a photovoltaic generation project, Power System Stabilizers as identified in Article 5.4 are not required.

### **3. ~~Interconnection Principles:~~**

- ~~(a) This LGIA provides for interconnection of a total capacity of 550 MW, resulting from the interconnection of the Desert Sunlight Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of Interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new application in accordance with the terms and conditions of the CAISO Tariff.~~
- ~~(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Desert Sunlight Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. The Interconnection System Impact Study did not identify any required mitigation to third party transmission systems.~~
- ~~(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~
- ~~(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Desert Sunlight Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Desert Sunlight Project or the Interconnection Customer's Interconnection Facilities.~~
- ~~(e) Operational studies will be performed by the Participating TO twenty-four (24) months prior to the Desert Sunlight Project's in-service date and on an as-needed basis and at the Interconnection Customer's expense prior to the Desert Sunlight Project's in-service date to~~

~~confirm that the necessary upgrades identified in Section 17 of Appendix A have been, or will be placed in service in time to allow the interconnection and operation of the Desert Sunlight Project. In the event that it is determined that the required upgrades or replacements cannot be completed by the in-service date, such date will need to be delayed until the necessary upgrades have been made. If upgrades or replacements identified in Section 17 of Appendix A are required to be advanced in order to accommodate the Desert Sunlight Project's in-service date, this agreement shall be amended as appropriate.~~

- ~~(f) The Interconnection Customer understands that in order to meet the In-Service Date, the Participating TO will commence engineering and procurement before regulatory approvals are granted to construct the Participating TO's Interconnection Facilities and Network Upgrades. The Interconnection Customer also understands that regulatory proceedings may result in a change in the method of service that causes the engineering and procured materials to become unnecessary.~~
- ~~(g) The Participating TO acknowledges that the Generating Facility may be financed in whole, or in part, with funds provided under a guarantee by the U.S. Department of Energy ("DOE") pursuant to the ARRA. Participating TO further acknowledges that the ARRA mandates that projects assisted by and through the Federal government, including, but not limited to, DOE, comply with the Labor Laws. The Participating TO will endeavor to include in all contracts with contractors who provide laborers or mechanics for the construction of the Participating TO's Interconnection Facilities and Network Upgrades provisions substantially similar to those in the Labor Laws. The Interconnection Customer acknowledges that the Participating TO does not, by this agreement, accept any liability for any losses suffered or gains not realized by the Interconnection Customer, or its agents, employees, or assigns, due to a failure by any party to comply with the Labor Laws.~~
- ~~(h) In accordance with Article 5.11 the Participating TO will not provide "as-built" drawings to the Interconnection Customer; however, the Participating TO will provide relevant drawings and ratings of the Participating TO's Interconnection Facilities and the Red Bluff Substation 230kV bus.~~

#### ~~4. Interconnection Operations:~~

- ~~(a) The Interconnection Customer shall cause the Desert Sunlight Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO or the CAISO, pursuant to this LGIA, for loss of generation output when (i) the Desert~~

~~Sunlight Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS. The Interconnection System Impact Study did not identify any requirement for any SPS in order to meet the Applicable Reliability Standards.~~

- ~~(b) The Interconnection Customer shall cause the Desert Sunlight Project to participate in CAISO congestion management in accordance with the CAISO Tariff and Scheduling Protocols.~~
- ~~(c) Following outages of the Interconnection Facilities or the Desert Sunlight Project, the Interconnection Customer shall not energize the Desert Sunlight Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~
- ~~(d) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~**5.— Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Desert Sunlight Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

~~**6.— Interconnection Customer Ownership Structure:** The Parties acknowledge and agree that the Interconnection Customer may elect to structure the legal ownership of the entire Generating Facility referenced in this LGIA, also known as the Desert Sunlight Project, in order to divide ownership into two separate legal entities, each owning discrete numbers of the prime movers and/or other physical components of the entire Generating Facility. These legal entities shall be two direct, wholly-owned subsidiaries of the Interconnection Customer. The Parties acknowledge and agree that, in the event the Interconnection Customer elects to make this change in the legal ownership of the entire Generating Facility, the~~

~~ownership structure shall be detailed in a Sharing Agreement which shall contain the following terms:~~

- ~~a) The Interconnection Customer will indirectly own, operate, maintain and control the entire Generating Facility as such term is defined in this LGIA, and which is the subject of this LGIA;~~
- ~~b) Each of the two subsidiaries will receive the benefit of Interconnection Customer's rights under this LGIA; however neither of the two subsidiaries is a party to the LGIA, and such benefits shall derive solely by and through the Interconnection Customer, by virtue of the Sharing Agreement; such benefit shall exist only for such period of time as the Interconnection Customer is a Party to the LGIA; each subsidiary shall receive any benefit of Interconnection Customer's rights under this LGIA only to the extent of the Interconnection Customer's rights under this LGIA. Moreover, notwithstanding any provision to the contrary in the Sharing Agreement, no provision in either the Sharing Agreement or the LGIA shall operate to (i) relieve the Interconnection Customer of its obligations to the Participating TO and the CAISO under the LGIA; (ii) require either the CAISO or the Participating TO to look to each subsidiary for performance of the Interconnection Customer's obligations under the LGIA; (iii) entitle either of the two subsidiaries to any notice under the LGIA from the Participating TO or the CAISO; or (iv) assert or provide that any of the two subsidiaries have any rights under the LGIA other than by or through the Interconnection Customer, as provided in and limited by this provision;~~
- ~~c) Each of the two subsidiaries shall agree in the Sharing Agreement to comply with the Interconnection Customer's instructions, so that the Interconnection Customer can comply with the terms of this LGIA. No failure by either of the two Interconnection Customer subsidiaries to comply with any instructions from the Interconnection Customer shall excuse the Interconnection Customer from performance of any of its obligations under the LGIA. The Sharing Agreement shall provide that the Interconnection Customer and the wholly owned subsidiaries shall be jointly and severally liable to the Participating TO for all obligations and liabilities under this LGIA;~~
- ~~d) The Interconnection Customer and each of its two subsidiaries shall agree in the Sharing Agreement not to further subdivide the entire Generating Facility into smaller projects or divisions of legal ownership, and that any such subdivision shall operate as grounds for the Participating TO or the CAISO to declare the Interconnection Customer in Default under the LGIA; and~~
- ~~e) Each of the two Interconnection Customer subsidiaries shall agree in the Sharing Agreement not to assign any claims of benefit under the Sharing Agreement to any third party.~~

~~The Interconnection Customer shall directly own all of the equity interests in each of its two subsidiaries. Notwithstanding the foregoing, (i) each of the two Interconnection Customer subsidiaries shall have the right to assign any of its~~

~~respective rights and obligations under the Sharing Agreement, and (ii) the Interconnection Customer shall have the right to assign any of its equity interests in the two subsidiaries, in each case, without the consent of the CAISO or Participating TO, only for collateral security purposes to aid in providing financing for the Generating Facility or Desert Sunlight Project.~~

## **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](http://www.caiso.com/pubinfo/info_security/index.html).~~

**Appendix E  
To LGIA**

**~~Commercial Operation Date~~**

This Appendix E is a part of the LGIA

**[Date]**

~~Mr. Stephen Ruty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: Desert Sunlight Holdings, LLC – Desert Sunlight Project – Electric  
Generating Unit (s)~~

~~Dear Messrs. Ruty, Kott, and Law:~~

~~On **[Date] Desert Sunlight Holdings, LLC** has completed Trial Operation  
of Unit No. \_\_\_\_\_. This letter confirms that Desert Sunlight Holdings, LLC  
commenced Commercial Operation of Desert Sunlight Project Unit No. \_\_\_\_\_ at the  
Electric Generating Unit, effective as of **[Date plus one day]**.~~

~~Thank you.~~

**[Signature]**

**Desert Sunlight Holdings, LLC  
[Interconnection Customer Representative]**

~~cc: Linda Wright~~

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

CAISO:

California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630

Participating TO:

Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770

Interconnection Customer:

Kim Oster  
Director, Business Development  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7419  
Facsimile F 510.835.1274  
Email [koster@firstsolar.com](mailto:koster@firstsolar.com)

With copy to:  
Robert Jenkins  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7435  
Facsimile F 510.835.1274  
Email [rjenkins@firstsolar.com](mailto:rjenkins@firstsolar.com)

~~Operational Matters, Force Majeure, and Outage Notices:~~

~~CAISO:~~

~~California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630~~

~~Participating TO:~~

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770~~

~~Interconnection Customer:~~

~~Mitch Samuelian  
Director, Power Plant Operations  
First Solar  
350 West Washington Street  
Tempe, AZ 85284  
Phone 602-384-9638  
Facsimile 602-384-9638  
Email Msamuelian@firstsolar.com~~

~~For Emergencies:~~

~~CAISO:~~

~~California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630~~

~~Participating TO:~~

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770  
Phone: 626.302.9640  
Facsimile: 626.302.1152  
E-mail: William.Law@sce.com~~

Interconnection Customer:

Mitch Samuelian  
Director, Power Plant Operations  
First Solar  
350 West Washington Street  
Tempe, AZ 85284  
Phone 602-384-9538  
Facsimile F 602-384-9638  
Email MSamuelian@firstsolar.com

**Billings and Payments:**

Participating TO:

Southern California Edison Company  
Accounts Receivable  
P. O. Box 600  
Rosemead, California 91770-0600

Interconnection Customer:

First Solar Accounts Payable  
28101 Cedar Park Blvd  
Perrysburgh, OH 43551

With copy to:

Kim Oster  
Director, Business Development  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7419  
Facsimile F 510.835.1274  
Email koster@firstsolar.com

CAISO:

California ISO  
Finance Dept.  
Mr. Dennis Estrada  
151 Blue Ravine Rd.  
Folsom, CA 95630

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

**CAISO:**

[lwright@caiso.com](mailto:lwright@caiso.com)  
[jbrown@caiso.com](mailto:jbrown@caiso.com)

**Participating TO:**

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
Tel: (626) 302-9640  
Fax: (626) 302-1152~~

**Interconnection Customer:**

~~Kim Oster  
Director, Business Development  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7419  
Facsimile F 510.835.1274  
Email [koster@firstsolar.com](mailto:koster@firstsolar.com)~~

~~Robert Jenkins  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7435  
Facsimile F 510.835.1274  
Email [rjenkins@firstsolar.com](mailto:rjenkins@firstsolar.com)~~

**Appendix G  
To LGIA**

**Reliability Management System Agreement**

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
DESERT SUNLIGHT HOLDINGS, LLC**

~~**THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT** (the "Agreement"), is entered into this 4th day of August, 2010, by and between California Independent System Operator Corporation (the "Transmission Operator") and Desert Sunlight Holdings, LLC. (the "Generator").~~

~~**WHEREAS**, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~**WHEREAS**, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~**WHEREAS**, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~**1. PURPOSE OF AGREEMENT**~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.~~

~~**2. DEFINITIONS**~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator or the Transmission Operator and

**Parties** means both of the Generator and the Transmission Operator.

**Reliability Management System or RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.

**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.

**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### ~~3. TERM AND TERMINATION~~

~~**3.1 Term.** This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].~~

~~[Note: if the interconnection agreement is not FERC jurisdictional, replace bracketed language with: [on the later of: (a) the date of execution; or (b) the effective date of the WSCC RMS Agreement.]]~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows:~~

~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~

~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~

~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty-five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

## ~~**5. SANCTIONS**~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~**6. THIRD PARTIES**~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~**7. REGULATORY APPROVALS**~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~**8. NOTICES**~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid;~~

faxed, or delivered by mutually agreed electronic means to such Party at the following address:

Transmission Operator:

California ISO  
Ms. Roni Reese  
151 Blue Ravine Rd.  
Folsom, CA 95630  
Phone: (916) 608-7027  
Facsimile: (916) 608-7292

Generator:

Kim Oster  
Director, Business Development  
First Solar Development, Incorporated  
1111 Broadway, 4<sup>th</sup> Floor.  
Oakland, CA 94607  
Phone 510.625.7419  
Facsimile F 510.835.1274  
Email koster@firstsolar.com

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

**~~9. APPLICABILITY~~**

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

**~~10. AMENDMENT~~**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be~~

~~subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

#### ~~11. INTERPRETATION~~

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

#### ~~12. PROHIBITION ON ASSIGNMENT~~

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCG assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

#### ~~13. SEVERABILITY~~

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

#### ~~14. COUNTERPARTS~~

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

~~IN WITNESS WHEREOF~~, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

~~California Independent System Operator Corporation~~

By: /s/ Keith E. Casey

Name: Keith E. Casey, PhD

Title: Vice President Market & Infrastructure Development

Date: August 4, 2010

~~Desert Sunlight Holdings, LLC~~

By: /s/ Lisa Bodensteiner

Name: Lisa Bodensteiner

Title: Vice President Business Development

Date: August 3, 2010

## **Appendix H To LGIA**

### **~~INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT (NOT APPLICABLE TO DESERT SUNLIGHT PROJECT)~~**

~~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. The LVRT standard provides for a transition period standard and a post-transition period standard.~~

#### **~~Transition Period LVRT Standard~~**

~~The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

- ~~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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.~~

- ~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~
- ~~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, etc.) 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 network 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.~~

#### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 pre-fault 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 Interconnection System Impact 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 Interconnection System Impact 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 S**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 91 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Granite Wind, LLC, SCE, and ISO, designated as SCE Service Agreement No. 91

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment T - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1748**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Granite Wind, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 91.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 91, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment U - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1748**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

**Joint Tariff Name/Description:**                      Large Generator Interconnection Agreement among Granite Wind, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 91.

**Designated Filing Company:**                      Southern California Edison Company

**Designated Filing Utility Tariff Title:**                      Transmission Owner Tariff

**Designated Filing Utility Tariff Program:**                      FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

**Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):**                      Amended LGIA, Service Agreement No. 91, and all tariff records for which the designated tariff record is a direct or indirect parent record

Title Page

~~California Independent System Operator Corporation  
Non-Conforming Service Agreements —  
Tariff Record Title: Service Agreement No. 1748~~

~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)  
AMONG~~

~~GRANITE WIND, LLC  
AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY  
AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~\_\_\_\_\_ Tariff Record Proposed Effective Date: 11/24/2010  
\_\_\_\_\_ Version Number: 0.0.0~~

| ——— Option Code: A

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~~Appendix G~~ ~~Reliability Management System Agreement~~

~~Appendix H~~ ~~Interconnection Requirements for a Wind Generating Plant~~

# ~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~GRANITE WIND, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

## ~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~("LGIA") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and among Granite Wind, LLC, a corporation organized and existing under the laws of the State/Commonwealth of Delaware ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO’s Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.~~

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~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.~~

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

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

~~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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~——— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4—Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

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

~~the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.~~

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

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

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

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

### ~~**ARTICLE 3. REGULATORY FILINGS AND 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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.~~

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~**5.7**—**Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.

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

## **ARTICLE 7. METERING**

**7.1 — General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2—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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

### ~~**9.9 Use of Interconnection Facilities by Third Parties.**~~

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

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

~~**9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

~~In addition:~~

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~11.6—Interconnection Customer Compensation.~~ If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection

Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.

~~**12.3—Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4—Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

**Southern California Edison Company**

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

Name: David L. Mead \_\_\_\_\_

Title: Vice President, Engineering & Technical Services \_\_\_\_\_

Date: November 15, 2010 \_\_\_\_\_

**California Independent System Operator Corporation**

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

Name: Keith Casey, PH.D \_\_\_\_\_

Title: Vice President, Market & Infrastructure Development \_\_\_\_\_

Date: November 15, 2010 \_\_\_\_\_

**Granite Wind, LLC**

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

Name: E. S. Piscitello

Title: Senior VP, RES Americas

Date: November 1, 2010

## **~~Appendices to LGIA~~**

~~Appendix A—Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for a Wind Generating Plant~~

## **Appendix A To LGIA**

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

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

#### **1. Interconnection Facilities:**

(a) **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall:

(i) Install a new 220kV Transmission Line from the Large Generating Facility identified as the Granite Mountain Wind Farm Project ("Granite Mountain Wind Farm Project") to the last Interconnection Customer-owned structure located directly outside Jasper Substation ("Last Structure"). This line will be referred to as the Granite Mountain-Jasper 220kV Transmission Line.

(ii) Install Optical Ground Wire ("OPGW") on the Granite Mountain-Jasper 220kV Transmission Line.

(iii) Install other interconnection facilities which generally include the associated circuit breakers, switches, protective relaying systems, and Supervisory Control and Data Acquisition ("SCADA") equipment, to monitor and regulate the flow of electrical power. The substation will be designed and constructed in conformance with SCE and CAISO requirements along with applicable local, state, and national codes and regulations.

(iv) Make available adequate space and facilities necessary for the installation of the Participating TO's Remote Terminal Unit ("RTU").

(v) Provide a metering cabinet to house the retail meters, which should be placed at a location that allows for Participating TO 24-hour access.

(vi) All required CAISO approved meters and metering equipment at the Large Generating Facility and such metering equipment must be adequate to be used for the circuit feeding the Participating TO's retail meters for auxiliary load. An accuracy of 0.15% is required.

(vii) Install appropriate relay protection, and telecommunication single-mode fiber-optic cable for the diverse telecommunication paths. Relay protection to be specified by Participating TO so as to match relay protection used by Participating TO at Jasper Substation and at the Large Generating Facility, to protect the Granite Mountain-Jasper 220kV Transmission Line, as follows:

1. One SEL 311L line differential relay with a digital communication channel to Jasper Substation.

~~2. One G.E. L90 line differential relay with a diverse path digital communication channel to Jasper Substation.~~

~~3. Two N60 relays at the Large Generating Facility (one each for SPS A and B) to trip the main generator breaker.~~

~~4. One SEL-2401 satellite synchronized clock at the Large Generating Facility. Interconnection Customer shall install, own, operate and maintain the two diverse telecommunication paths and equipment, with the exception of the terminal equipment at both Jasper Substation and at the Large Generating Facility, which will be installed, owned, operated and maintained by the Participating TO.~~

~~(viii) Install appropriate single-mode fiber-optic cables for the diverse telecommunication routes and also panels to terminate the telecommunication fiber-optic cables for both diverse telecommunication paths, as specified by Participating TO to match telecommunication equipment used by Participating TO at Jasper Substation and at the Large Generating Facility, to protect the Granite Mountain Jasper 220kV Transmission Line. Interconnection Customer shall install, own, operate and maintain the two diverse telecommunication paths and fiber-optic cables and appurtenant facilities, with the exception of the terminal equipment at both Jasper Substation and at the Large Generating Facility, which will be installed, owned, operated and maintained by the Participating TO.~~

~~(ix) Participating TO to review customer fiber-optic cable design and perform inspection to ensure compatibility with the Participating TO's terminal equipment and protection engineering requirements for diverse path communication routing. Participating TO to perform acceptance testing of fiber-optic cables and have the right to request and/or to perform correction of installation deficiencies.~~

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

~~(i) **Jasper Substation:**~~

~~a. Install underground vaults, risers, conduits and fiber-optic cable as necessary to terminate Granite Mountain fiber-optic cable and OPGW.~~

~~b. Install approximately 1,000 circuit feet of new line consisting of two 500 foot spans of conductors (size to be determined) and OPGW from the last Interconnection Customer structure to the Jasper Substation 220kV switchyard using one intermediate tubular steel pole.~~

~~c. Install the required channels to support the connection of the RTUs to be installed at the Large Generating Facility and at Jasper Substation.~~

~~d. Install the following relays for the Granite Mountain Jasper 220kV Transmission Line:~~

~~i. One GE C60 breaker management relays.~~

~~ii. One GE L90 line current differential relay.~~

~~(ii) **Granite Mountain Generating Station:**~~

~~1. Install one RTU at the Large Generating Facility to transmit generator unit gross MW and MVAR, plant auxiliary load, generator status, generator circuit breaker status,~~

~~generator terminal voltage, and project net MW and MVAR. Notwithstanding that the RTU will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.~~

~~2. Install all metering equipment, including voltage and current transformers, appurtenant facilities and meters for retail load on the 34.5kV side of the generator transformer. Such metering equipment will be installed inside the metering cubicle to be provided by the Interconnection Customer.~~

~~Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities.~~

~~3. Install telecommunication terminal equipment at the Large Generating Facility to support the line protection relays for the new Granite Mountain-Jasper 220kV Transmission Line and the SPS. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

## ~~2. Network Upgrades:~~

~~a) Stand Alone Network Upgrades: None.~~

~~b) Other Network Upgrades:~~

~~(i) Participating TO's Reliability Network Upgrades: The Participating TO shall:~~

### ~~1. Lugo-Pisgah No. 1 220kV Transmission Line (Temporary Interconnection):~~

~~a. Loop the existing line in and out of Jasper Substation and form the two new Jasper-Lugo and Jasper-Pisgah 220kV Transmission Lines.~~

~~This work requires the installation of two 1/2-mile segments of single circuit line with six dead-end lattice structures and two tubular steel poles and 2-1590KCMIL ACSR conductors per phase.~~

~~This work also requires the replacement of three suspension lattice structures on adjacent 500kV T/L's to facilitate crossing of new 220kV under existing 500kV T/L's 220kV/220kV.~~

### ~~2. Cool Water-Jasper 220kV Transmission Line (Permanent Interconnection):~~

~~a. Loop the proposed Cool Water-Lugo 220 kV transmission line in and out of Jasper Substation and form the two new Jasper-Lugo and Cool Water-Jasper 220kV Transmission Lines.~~

~~This work requires disconnecting the Pisgah portion of the existing Lugo-Pisgah No.1 220 kV transmission line, initially looped into Jasper Substation, and connecting the~~

Cool Water line segment of the new Cool Water-Lugo 220 kV transmission line into the vacated position. The Participating TO estimate that the work will be done in a manner that should not result in the disconnection of Jasper Substation from the grid. The Lugo line segment is unchanged as this line segment will make use of the early interconnect facilities. A queued ahead generation project will upgrade the transmission line, except for the early interconnection facilities, back to the Lugo Substation.

### 3. ~~Jasper Substation:~~

a. ~~Install the necessary equipment, including one RTU to monitor the typical bulk power elements such as MW, MVAR, and phase amps at each line and also kV at lines and buses and all circuit breaker status/control, protection relays status and alarms. The installed equipment will transmit information to the Participating TO's Grid Control Center.~~

b. ~~Install a new 220kV switchyard facility with five circuit breakers arranged in a breaker and a half configuration to initially loop in the existing Lugo-Pisgah No. 1 220kV Transmission Line and later loop in the proposed Cool Water-Lugo 220 kV Transmission Line required for a queued ahead generation project, and provide a line position to terminate the new Interconnection Customer-owned Granite Mountain-Jasper 220kV Transmission Line, including:~~

i. ~~Two 220kV operating buses covering eight positions, including necessary dead-end structures, bus supports, potential devices, disconnects, circuit breakers, adequate conductors, insulators, and circuit breakers. Six 220kV positions will be vacant for future use.~~

ii. ~~One three breaker 220kV line position on a breaker and a half configuration to initially terminate the Jasper-Lugo and Lugo-Pisgah 220kV Transmission Lines and later terminate the Cool Water-Jasper 220kV Transmission Line.~~

iii. ~~One double breaker 220kV line position on a breaker and a half configuration to terminate the Granite Mountain-Jasper 220kV Transmission Line.~~

iv. ~~Four line dead-end structure (65 feet. high by 50 feet. wide) with a 15 foot high extension for the OPGW ground wire on one structure, to terminate the conductors from the transmission lines.~~

v. ~~Twelve GE SBD11B bus differential relays.~~

vi. ~~Four GE C60 breaker management relays.~~

vii. ~~Two GE L90 line current differential relays.~~

viii. ~~Three Schweitzer SEL-300L line differential relays.~~

ix. ~~One 32/64 digital fault recorder.~~

x. ~~One SEL-2030 communications processor.~~

c. ~~Install a 30 foot. by 20 foot. Mechanical Electrical Equipment Room ("MEER") to house the following elements:~~

i. ~~Batteries and battery charger.~~

ii. ~~Light & power selector switch.~~

iii. ~~Light & power panel.~~

iv. ~~A.C. distribution panel.~~

v. ~~D. C. distribution panel.~~

vi. ~~Relays.~~

- ~~vii. Telecommunication facilities.~~
- ~~viii. SPS equipment.~~
- ~~ix. Fault recorder~~
- ~~x. Appurtenant equipment.~~
  - ~~d. Other station elements to be installed:~~
    - ~~i. 2,030 linear feet of 8 foot. perimeter fence with double barbed wire to cover a 585 foot. by 430 foot. area.~~
    - ~~ii. Two 20 foot. double door driveway gate.~~
    - ~~iii. Grounding grid to cover a 591 foot. by 436 foot. area (3 feet. outside the perimeter fence).~~
    - ~~iv. Approximately 2,000 linear feet of 20 foot. paved driveway.~~
    - ~~v. Approximately 1,300 linear feet of control cable trench.~~

~~4. Lugo Substation:~~

- ~~a. Upgrade line protection relays on the existing Lugo 220kV line position to make them compatible with the new relays to be installed at Jasper Substation when the line becomes the Jasper-Lugo 220kV transmission line by removing all existing relays and installing the following new relays:~~
  - ~~i. Two GE G60 breaker management relays.~~
  - ~~ii. One GE L90 line current differential relay.~~
  - ~~iii. One Schweitzer SEL-311L line current differential relay.~~
- ~~b. Reset and test existing SPS relays.~~

**5. ~~Pisgah Substation:~~**

~~a. Upgrade line protection relays on the existing Pisgah 220kV line position to make them compatible with the new relays to be installed at Jasper Substation when the line becomes the Jasper-Pisgah 220kV transmission line by removing all existing relays and installing the following new relays:~~

- ~~i. Two GE C60 breaker management relays.~~
  - ~~ii. One GE L90 line current differential relay.~~
  - ~~iii. One Schweitzer SEL-311L line current differential relay.~~
- ~~b. Reset and test existing SPS relays.~~

**6. ~~Corporate Real Estate:~~**

~~Perform all required functions for licensing, permitting, land acquisition and/or obtaining land easements and environmental assessments and surveys, appraisals and title work and other work as required for the new Jasper Substation and the looping of the Lugo-Pisgah 220kV transmission line into Jasper Substation, including the Jasper-Lugo and Jasper-Pisgah 220kV Transmission Line telecommunication channels.~~

**7. ~~Telecommunications:~~**

~~a. Install new telecommunication channels from Jasper Substation to both Lugo and Pisgah Substations and related terminal equipment to support the Jasper-Lugo and Jasper-Pisgah 220 kV Transmission Line protection relays as follows:~~

- ~~i. Approximately 29 miles of new fiber optic cable from Jasper Substation to Apple Valley Substation. The fiber optic cable will be installed using a combination of overhead and underground sections. The overhead section requires the installation of 100 new wood poles and the replacement of 600 existing wood poles.~~
- ~~ii. Approximately 19 miles of new fiber optic cable from Jasper Substation to Cottonwood Substation. The fiber optic cable will be installed using a combination of overhead and underground sections. The overhead section requires the installation of 50 new wood poles and the replacement of 400 existing wood poles.~~
- ~~iii. Use existing telecommunication channels between Apple Valley Substation, Cottonwood Substation and Lugo Substation to complete the dual routes from Jasper Substation to Lugo Substation.~~
- ~~iv. Use existing telecommunication channels between Jasper Substation and Pisgah Substation.~~
- ~~v. Install new lightwave terminal equipment and channel bank equipment at Jasper, Lugo, Pisgah, Apple Valley and Cottonwood Substations and the Large Generating Facility.~~

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

**3. ~~Distribution Upgrades:~~**

~~a) Install approximately 4,000 circuit feet of new distribution circuit into to Jasper Substation to provide an alternative source of station light and power. The circuit will be~~

~~formed by approximately 2,000 circuit feet of wood pole construction and 2,000 feet of underground construction.~~

~~Notwithstanding Article 11.3 of the LGIA, the Interconnection Customer will not be responsible for the costs associated with these facilities.~~

~~4. Not Used:~~

~~**5. Point of Change of Ownership:**~~

~~a) Granite Mountain-Jasper 220kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the Granite Mountain-Jasper 220kV Transmission Line are attached to the Last Structure. This would be the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, and the conductors connecting this structure with the second structure located outside Jasper Substation, including the jumper loop. The Participating TO shall own and maintain the Jasper Substation, Jasper-Pisgah 220kV Transmission Line, Jasper-Lugo 220kV Transmission Line, rights-of-way associated with the Pisgah and Lugo 220kV Transmission Lines, all circuit breakers, disconnects, relay facilities, metering within the substation, land, and the line drops in their entirety from the point they are attached to the Last Structure. The Participating TO shall own the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure.~~

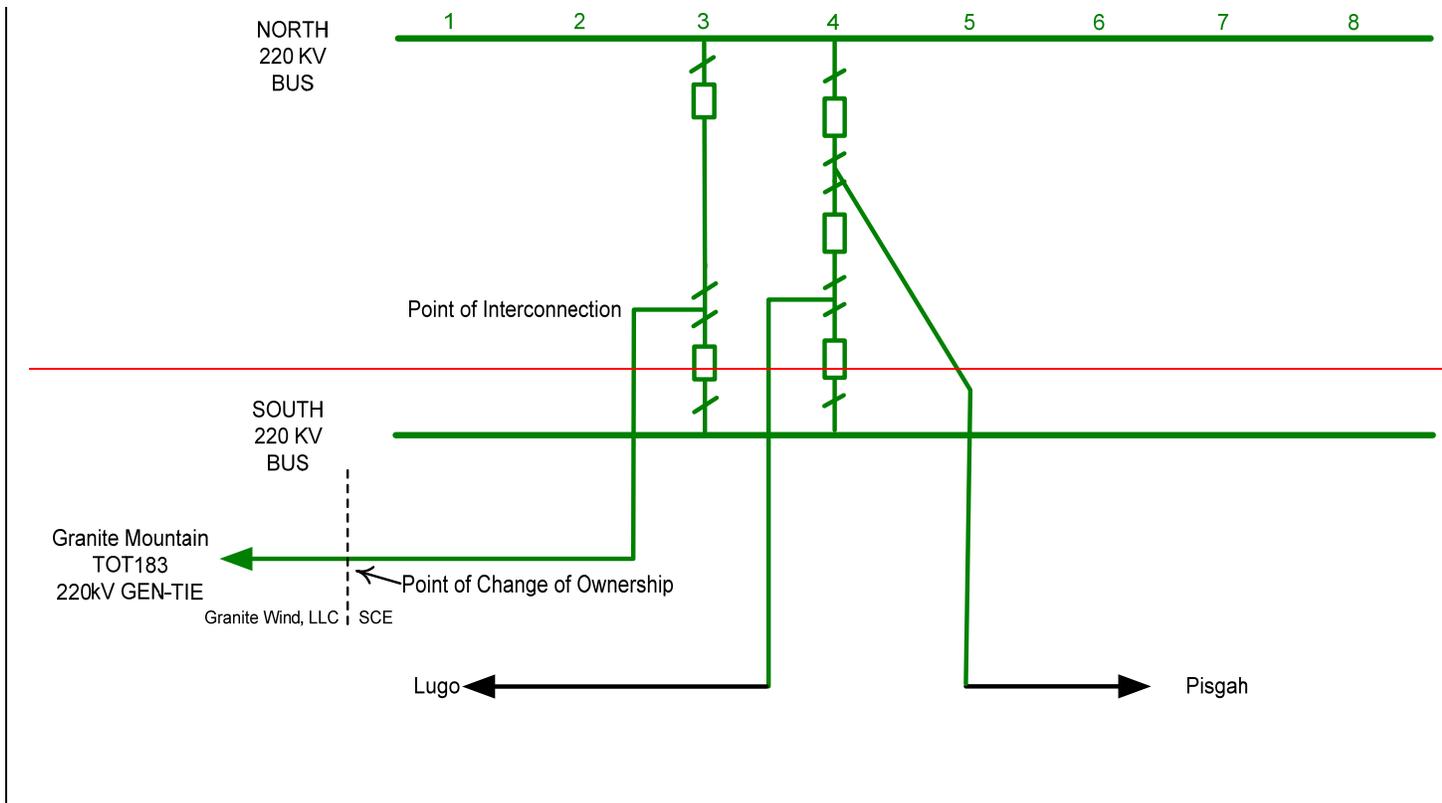
~~b) Telecommunication OPGW: The Point of Change of Ownership shall be the point where the OPGW of the Granite Mountain-Jasper 220kV Transmission Line are attached to the Last Structure.~~

~~c) Telecommunication second fiber-optic cable: The Point of Change of Ownership shall be the point where the fiber-optic cable is attached to the Last Structure. The Interconnection Customer shall own and maintain said structure.~~

~~d) The Participating TO shall own and maintain the underground vaults, risers, conduits and fiber-optic cables within the Jasper Substation and in their entirety from the point where they are attached to the Last Structure.~~

~~**6. Point of Interconnection:** The Participating TO's Jasper 220kV Substation.~~

~~**7. One-Line Diagram of Interconnection to Jasper 220kV Substation:**~~



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

~~(a) — Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such facilities are abandoned due to circumstances outside of the Participating TO's control.~~

~~(b) — Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(c) — Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(d) — CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~(e) — Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(f) — Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(g) — Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

- ~~(h) — Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~(i) — Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~
- ~~(j) — Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~
- ~~(k) — Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~
- ~~(l) — Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~
- ~~(m) — ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A and is shown in Section 14 of this Appendix A.~~
- ~~(n) — Letter Agreement: The letter agreement executed by the Participating TO and the Interconnection Customer on December 21, 2008 for work associated with land studies and environmental analysis for the Participating TO's Jasper Substation, Lugo-Pisgah 220kV Transmission Line and associated telecommunication facilities.~~
- ~~(o) — One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Delivery Network Upgrades, Reliability Network Upgrades or Capital Additions which are not capitalized.~~
- ~~(p) — Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(q) — **Reliability Network Upgrades Payment:** The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(r) — **Removal Cost:** The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(s) — **Special Protection System ("SPS"):** A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(t) — **Units of Property:** As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**9. — Transmission Credits:** Subject to Section 13(d) of this Appendix A, no Congestion Revenue Rights or repayment will be made pursuant to Articles 11.4 and 11.4.1 of the LGIA because this LGIA assumes that the Participating TO will up-front finance the Network Upgrades described in Section 2 of this Appendix A.~~

~~**10. — Security Amount for the Participating TO's Interconnection Facilities and Network Upgrades:**~~

~~(a) — Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall:~~

~~(i) — Provide Credit Support in the amount of \$2,325,000 in accordance with the table shown in Appendix A, Section 10(d), to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~(ii) — Provide Credit Support in the amount of \$500,000 to cover the Participating TO's estimated costs to be incurred for approximately six months from the Effective Date associated with commencing design, final engineering, environmental related work, and the application for a permit to construct to the CPUC for the Network Upgrades listed in Appendix A, Section 2, until the Participating TO receives Abandoned Plant Approval.~~

~~(iii) — In the absence of Abandoned Plant Approval, provide additional Credit Support sufficient to cover the cost to complete the work for the Network Upgrades authorized pursuant to Article 5.5.2. The amount of additional Credit Support required shall be estimated at such time it is required by the Participating TO based upon the most recent cost information available to the Participating TO and will be reflected in an amendment to this LGIA.~~

~~(b) — In the absence of Abandoned Plant Approval, the Participating TO shall not perform any work on the Network Upgrades without sufficient Credit Support from the Interconnection Customer. The disposition of any Credit Support released by the~~

~~Participating TO shall be directed by the Interconnection Customer. Credit Support related to the Network Upgrades shall be released by the Participating TO within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval.~~

~~(c) — Upon notice by the Participating TO to the Interconnection Customer and the CAISO that the LGIA is being amended to provide for the Interconnection Customer to finance the Network Upgrades under Appendix A, Section 13(d)(i), or, that the Interconnection Customer has not continued to achieve the development milestones described in Appendix A, Section 13(d), Table 1, then the Interconnection Customer shall be required to comply, following amendment of this LGIA and acceptance by FERC, with the required posting of Credit Support for the Network Upgrades and to provide notice to the Parties of such compliance.~~

~~(d) — The Participating TO will accept Credit Support for the Participating TO's Interconnection Facilities in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction. The Credit Support must be satisfied by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO, the Credit Support, posted as follows and maintained pursuant to Article 11.5 of the LGIA:~~

<del>•</del> <del>Date Due</del>	<del>Credit Support Amount</del>
<del>•</del> <del>10/1/2012</del>	<del>\$116,000</del>
<del>•</del> <del>10/1/2013</del>	<del>\$956,000</del>
<del>•</del> <del>10/1/2014</del>	<del>\$1,253,000</del>

~~(e) — The Participating TO will accept Credit Support for the Participating TO's Network Upgrades in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction. The Credit Support must be satisfied by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO, the Credit Support, posted as follows and maintained pursuant to Article 11.5 of the LGIA:~~

<del>•</del> <del>Date Due</del>	<del>Credit Support Amount</del>
<del>•</del> <del>Within thirty (30) Calendar Days from the Effective Date</del>	<del>\$500,000</del>

~~11. — Security Amount for Estimated Tax Liability: Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~(Current Tax Rate x (Gross Income Amount — Present Value of Tax Depreciation))/(1 — Current Tax Rate) = 35%~~

~~Estimated tax liability = 35% \* (Interconnection Facilities Cost) = 35% \* (\$2,325,000) = \$813,750~~

~~Interconnection Facilities Cost = \$2,325,000~~

~~Based upon the estimated tax liability, the Interconnection Customer shall provide Credit Support to the Participating TO in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction.~~

~~The security must be made by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO security, pursuant to Article 5.17.3 and Appendix B of the LGIA, posted as follows:~~

<del>Date Due</del>	<del>Credit Support Amount</del>
<del>10/1/2012</del>	<del>\$40,600</del>
<del>10/1/2013</del>	<del>\$375,200</del>
<del>10/1/2014</del>	<del>\$813,750</del>

~~**12.— Removal of the Participating TO’s Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO’s Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO’s Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO’s Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO’s Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

~~**13.— Charges:**~~

~~(a) — The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Interconnection Facilities Payment; (iii) payments for any Capital Additions; (iv) Interconnection Facilities Charge; (v) any reimbursable FERC fees pursuant to Section 13(g) of this Appendix A; (vi) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (vii) termination charges pursuant to Article 2.4 of the LGIA, however to the extent that the costs of the Participating TO’s Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges; (viii) disconnection costs pursuant to Article 2.5 of the LGIA; and (ix) suspension costs pursuant to Article 5.16 of the LGIA.~~

~~(b) — The Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~(c) — If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

~~(d) — The Participating TO commits to up-front finance the Network Upgrades Cost and the associated One-Time Cost for the Network Upgrades described in Section 2 of this Appendix A to the LGIA, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~

~~(i) — Abandoned Plant Approval: — If Participating TO has not received Abandoned Plant Approval within six (6) months of applying for such approval, the Participating TO (1) shall have the right to draw on the Credit Support, provided in accordance with Section 10(a) of this Appendix A, for the Interconnection Customer's share of the cost incurred by the Participating TO for the Network Upgrades as of such time, and (2) will work with the Interconnection Customer to amend this LGIA such that the Interconnection Customer shall be responsible for financing its share of the costs of the Network Upgrades, subject to FERC's acceptance or approval of the amended LGIA. In such event that the Participating TO has not received Abandoned Plant Approval within six (6) months as stated above, the Interconnection Customer shall make its election to receive Congestion Revenue Rights or repayment of the amount of up-front financing provided by the Interconnection Customer for Network Upgrades pursuant to Article 11.4 of the LGIA at the time this LGIA is amended.~~

~~(ii) — Continued achievement of development milestones by the Interconnection Customer, as described in Table 1 below:~~

**Table 1: Participating TO and Interconnection Customer**

**Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>• Participating TO applies for Abandoned Plant Approval</li> <li>• Participating TO commences final design and engineering of the Network Upgrades</li> </ul>	<ul style="list-style-type: none"> <li>• Interconnection Customer secures final Site Control as defined in the LGIP</li> <li>• Interconnection Customer has provided Financial Security in accordance with Section 10 of this Appendix A to the LGIA</li> </ul>
<p><b>DECISION POINT #1:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within 90 Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	

<b>Group 2 Milestones and Decision Point #2</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>• Participating TO receives Abandoned Plant Approval</li> <li>• Participating TO secures all required permits, licenses, and property rights for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>• Interconnection Customer secures all permits, licenses, and property rights required for the construction of the Generating Facility and Interconnection Customer's Interconnection Facilities</li> </ul>
<p><b>DECISION POINT #2:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within 90 Calendar Days of the Participating TO's notification. Such milestones are subject to</p>	

~~modification upon approval by the Parties. Such approval shall not be unreasonably withheld. Parties exercise options as outlined in Table 2.~~

### **Group 3 Milestones and Decision Point #3**

#### **Participating TO Milestone**

~~• Participating TO provides notification of estimated start of construction at least six (6) months in advance of the estimated start of construction date, for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Participating TO's Reliability Network Upgrades.~~

#### **Interconnection Customer Milestone**

~~• Interconnection Customer selects Engineering and Procurement Contractor ("EPC")~~

~~• Interconnection Customer secures 100% of financing to construct the Generating Facility and the Interconnection Customer's Interconnection Facilities~~

~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones prior to the estimated start of construction date specified in the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

### **Group 4 Milestones and Decision Point #4**

#### **Participating TO Milestone**

~~• Participating TO commences construction of the Participating TO's Reliability Network Upgrades~~

#### **Interconnection Customer Milestone**

~~• Interconnection Customer commences construction of the Generating Facility and the Interconnection Customer's Interconnection Facilities~~

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within 30 Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

### **Group 5 Milestones and Decision Point #5**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Reliability Network Upgrades, enabling Commercial Operation of the Generating Facility</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer achieves Initial Synchronization Date</li> <li>Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of the entire Generating Facility</li> </ul>
<p>DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within 90 Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO has the following options:*

<p>At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades.</p>
<p>If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), due to its action or inaction, the Interconnection Customer shall provide written notice to the Participating TO with the reasons for such failure to meet the identified milestones and a plan for schedule recovery. The Interconnection Customer must use commercially Reasonable Efforts to cure its failure to satisfy the applicable milestones and to achieve schedule recovery within sixty (60) Calendar Days of the date of such notice. If the Interconnection Customer has failed to cure the milestone failure within said sixty (60) Calendar Day period, the Participating TO shall have the following options:</p> <ol style="list-style-type: none"> <li>Confirm its commitment to finance the Network Upgrades (but have no obligation to do so).</li> <li>Discontinue its commitment to finance the Network Upgrades, in which case the Network Upgrades may then be financed by the Interconnection Customer subject to Section 13(h) of Appendix A.</li> <li>Extend the applicable deadline for the Interconnection Customer to satisfy the milestone requirement.</li> <li>Terminate this LGIA, subject to the termination provisions in this LGIA and</li> </ol>

~~Section 13(h) of Appendix A:~~

~~5) Other actions mutually agreeable to both parties.~~

~~Table 2B— Interconnection Customer has the following options:~~

~~At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as outlined in Table 1, due to its action or inaction, the Participating TO shall provide written notice to the Interconnection Customer with the reasons for such failure to meet the identified milestones and a plan for schedule recovery. The Participating TO must use commercially Reasonable Efforts to cure of its failure to satisfy the applicable milestones and to achieve schedule recovery within sixty (60) Calendar Days of the date of such notice. If the Participating TO has failed to cure the milestone failure within said sixty (60) Calendar Day period, the Interconnection Customer shall have the following options:~~

- ~~1) Continue to develop its Generating Facility (but have no obligation to do so).~~
- ~~2) Adjust its development milestones in Table 1 above, on a day-for-day basis, as appropriate, to the Participating TO's new timetable(s).~~
- ~~3) Terminate this LGIA, subject to termination provisions in this LGIA and Section 13(h) of Appendix A.~~
- ~~4) Other actions mutually agreeable to both parties.~~

~~Upon a Party reaching a Decision Point described in Table 1 above, that Party shall provide written notice to the other Parties. At the time of such notice, a window of thirty (30) Calendar Days shall open and each Party shall have thirty (30) Calendar Days to notify the other Party of what, if any, option it has elected to take pursuant to Table 2. The Parties may extend this window by mutual agreement, and may exercise the Participating TO's option 5 and the Interconnection Customer's option 4 as well. If a Party does not exercise any option during the thirty (30) Calendar Day window, then it shall be deemed to have elected option 1.~~

~~The termination provisions provided in option 4 of Table 2A and option 3 of Table 2B above are in addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~(e) — The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 13(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 13(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 13(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(f) — The Participating TO is under no obligation to finance other network upgrades if the Network Upgrades are modified pursuant to the LGIP and such modification results in the Participating TO having to reaffirm Abandoned Plant Approval, as determined solely by the Participating TO, for the modified or incremental Network Upgrades. At its sole discretion, the Participating TO may seek reaffirmation of Abandoned Plant Approval for any modified or incremental Network Upgrades. If (i) the reaffirmation of Abandoned Plant Approval for the modified or incremental Network Upgrades is not reached within six (6) months of applying for such reaffirmation, or (ii) the Participating TO does not seek reaffirmation of Abandoned Plant Approval, the Participating TO shall have the right to amend this LGIA to provide that the Interconnection Customer shall be responsible for financing its share of the costs of the modified or incremental Network Upgrades, subject to FERC's acceptance or approval~~

~~(g) — If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 13(d) (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above), by the completion of the corresponding Participating TO milestone and decision point, this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each milestone in Table 1 of Section 13(d) shall be extended for each day that Force Majeure delays a Party from achieving such milestone.~~

~~(h) — Notwithstanding anything to the contrary in Table 2A under Section 13(d) or 13(g), the Participating TO shall not file to terminate this LGIA, as a result of Interconnection Customer missing a milestone in Table 1 under Section 13(d) if the Parties reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Network Upgrades within sixty (60) Calendar Days after the Participating TO's notification of the Participating TO exercising options 2 or 4 of Table 2A under Section 13(d) of Appendix A.~~

~~(i) — Each Party shall provide the other Party with a monthly status report, including all supporting documentation, to verify that Party's progress on the milestones outlined in Table 1 under Section 13(d) above.~~

~~(j) — The Participating TO shall endeavor to file with FERC for Abandoned Plant Approval within sixty (60) Calendar Days of execution and filing of this LGIA.~~

~~(k) — At no time will the Participating TO require payment from the Interconnection Customer for any Network Upgrades for which Abandoned Plant Approval has been obtained, provided that the costs of such Network Upgrades are incurred while the Interconnection Customer is current with meeting its development milestones pursuant to Section 13(d).~~

#### **14. — Supplemental Billing and Payment Provisions:**

~~(a) — Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment.~~

~~(b) — Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 15 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Section 14(b)(i) and 14(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.~~

~~(i) — If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) — If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(c) — In the event that any portion of Participating TO's Interconnection Facilities is not complete but, at the request of Interconnection Customer, Participating TO commences interconnection service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

~~(d) — In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) — For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to~~

~~preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) — Except as provided in Section 8(c) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) — Except as provided in Section 8(c) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) — As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) — If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 12 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the~~

~~estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(g) — The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

### ~~15. Interconnection Facilities, Distribution Upgrades, Reliability Network Upgrades, and Delivery Network Upgrades Cost Summary:~~

~~(a) Estimated Cost:~~

<del>Element-</del>	<del>Interconnection Facilities Cost</del>	<del>Reliability Network Upgrades Cost*</del>	<del>Distribution Upgrades Cost*</del>	<del>Interconnection Facilities One-Time Cost</del>	<del>Reliability Network Upgrades One-Time Cost</del>	<del>Delivery Network Upgrades One-Time Cost</del>	<del>Total Costs</del>	<del>ITCC**</del>
<del>Lugo-Pisgah 220kV transmission line-loop into Jasper Substation</del>		<del>\$6,768,000</del>			<del>\$1,913,000</del>		<del>\$8,681,000</del>	
<del>Granite Mountain-Jasper 220kV Transmission Line</del>	<del>\$1,069,000</del>						<del>\$1,069,000</del>	<del>\$374,150</del>
<del>Jasper Substation</del>	<del>\$664,000</del>	<del>\$20,199,000</del>					<del>\$20,863,000</del>	<del>\$232,400</del>
<del>Jasper Substation Station Power and Light</del>			<del>\$914,000</del>				<del>\$914,000</del>	
<del>Pisgah Substation</del>		<del>\$386,000</del>					<del>\$386,000</del>	
<del>Lugo Substation</del>		<del>\$386,000</del>					<del>\$386,000</del>	
<del>Telecom-Gen-Tie-Line</del>	<del>\$494,000</del>						<del>\$494,000</del>	<del>\$172,900</del>
<del>Telecom-Line Protection, SPS and RTU</del>		<del>\$7,102,000</del>					<del>\$7,102,000</del>	
<del>Power System Controls-</del>	<del>\$69,000</del>	<del>\$69,000</del>					<del>\$138,000</del>	<del>\$24,150</del>
<del>Corporate Real Estate</del>		<del>\$5,851,000</del>					<del>\$5,851,000</del>	
<del>Metering Services</del>	<del>\$29,000</del>						<del>\$29,000</del>	<del>\$10,150</del>
<del>Licensing &amp; Environmental</del>		<del>\$3,306,000</del>					<del>\$3,306,000</del>	
<del>Total</del>	<del>\$2,325,000</del>	<del>\$44,067,000</del>	<del>\$914,000</del>		<del>\$1,913,000</del>		<del>\$49,219,000</del>	<del>\$813,750</del>

~~\* The Reliability Network Upgrades Cost, Distribution Upgrades Cost, Reliability Network Upgrades One-Time Cost, and Distribution Upgrades One-Time Cost are provided for information only at this time since the Participating TO has agreed to finance the Participating TO's Distribution Upgrades for station light and power, specified in Section 3, of this Appendix A, and the Participating TO's Reliability Network Upgrades, subject to Section 13(d) of this Appendix A.~~

~~\*\* Note: Interconnection Facilities ITCC, estimated at \$813,750 will be provided by Interconnection Customer in accordance with Appendix A, Section 11.~~



				<b>5,000</b>	<b>1,750</b>
2	11/1/12	<del>7,000</del>		<b>7,000</b>	<b>2,450</b>
3	12/1/12	<del>7,000</del>		<b>7,000</b>	<b>2,450</b>
4	1/1/13	<del>8,000</del>		<b>8,000</b>	<b>2,800</b>
5	2/1/13	<del>9,000</del>		<b>9,000</b>	<b>3,150</b>
6	3/1/13	<del>9,000</del>		<b>9,000</b>	<b>3,150</b>
7	4/1/13	<del>10,000</del>		<b>10,000</b>	<b>3,500</b>
8	5/1/13	<del>11,000</del>		<b>11,000</b>	<b>3,850</b>
9	6/1/13	<del>11,000</del>		<b>11,000</b>	<b>3,850</b>
10	7/1/13	<del>12,000</del>		<b>12,000</b>	<b>4,200</b>
11	8/1/13	<del>13,000</del>		<b>13,000</b>	<b>4,550</b>
12	9/1/13	<del>14,000</del>		<b>14,000</b>	<b>4,900</b>
13	10/1/13	<del>14,000</del>		<b>14,000</b>	<b>4,900</b>
14	11/1/13	<del>18,000</del>		<b>18,000</b>	<b>6,300</b>
15	12/1/13	<del>25,000</del>		<b>25,000</b>	<b>8,750</b>
16	1/1/14	<del>35,000</del>		<b>35,000</b>	<b>12,250</b>
17	2/1/14	<del>53,000</del>		<b>53,000</b>	<b>18,550</b>
18	3/1/14	<del>72,000</del>		<b>72,000</b>	<b>25,200</b>
19	4/1/14	<del>80,000</del>		<b>80,000</b>	<b>28,000</b>
20	5/1/14	<del>86,000</del>		<b>86,000</b>	<b>30,100</b>
21	6/1/14	<del>92,000</del>		<b>92,000</b>	<b>32,200</b>
22	7/1/14	<del>103,000</del>		<b>103,000</b>	<b>36,050</b>
23	8/1/14	<del>166,000</del>		<b>166,000</b>	<b>58,100</b>
24	9/1/14	<del>212,000</del>		<b>212,000</b>	<b>74,200</b>
25	10/1/14	<del>208,000</del>		<b>208,000</b>	<b>72,800</b>
26	11/1/14	<del>129,000</del>		<b>129,000</b>	<b>45,150</b>
27	12/1/14	<del>104,000</del>		<b>104,000</b>	<b>36,400</b>

28	1/1/15	115,000		115,000	40,250
29	2/1/15	138,000		138,000	48,300
30	3/1/15	147,000		147,000	51,450
34	4/1/15	152,000		152,000	53,200
32	5/1/15	120,000		120,000	42,000
33	6/1/15	80,000		80,000	28,000
34	7/1/15	44,000		44,000	15,400
35	8/1/15	13,000		13,000	4,550
36	9/30/15	3,000		3,000	1,050
Total		\$ 2,325,000	-\$270,000	\$ 2,595,000	\$ 813,750

All amounts shown above are in nominal dollars.

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$ 0.~~

~~Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$2,325,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Reliability Network Upgrades, subject to Section 13(d) of this Appendix A.~~

~~\*Reliability Network Upgrades Cost paid pursuant to the Letter Agreement will be refunded in full with interest within thirty (30) Calendar Days following receipt by the Participating TO of Abandoned Plant Approval from FERC.~~

~~ITCC will be provided by Interconnection Customer in accordance with Appendix A, Section 11.~~

#### ~~18. Other Potential Facilities:~~

~~The Interconnection Customer understands and acknowledges that the Interconnection of the Granite Mountain Wind Farm Project is dependent upon certain network upgrades which are currently the cost responsibility of projects ahead of the Granite Mountain Wind Farm Project in the Interconnection Application queue. In the event (i) a project in the queue ahead of the Granite Mountain Wind Farm Project is withdrawn from the queue, or (ii) it is determined by the Participating TO or the CAISO that some~~

~~or all of the network upgrades currently assigned to earlier-queued projects are no longer required by such projects, the Interconnection Customer may be responsible for an amount up to the maximum cost exposure of the network upgrades identified in this Appendix A, Section 18. Such additional other potential facilities or network upgrades are taken from the Interconnection Facilities Study.~~

~~Furthermore, the Interconnection Customer may also be responsible for the cost of any additional facilities or modifications to the Participating TO's electric system required to interconnect the Granite Mountain Wind Farm Project as a result of the termination or amendment of another project's interconnection agreement. The Interconnection Customer's revised cost responsibility for the network upgrades, and for any such additional facilities or modifications, if any, would be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval. While the Interconnection Customer is currently responsible for the Network Upgrades identified in Section 2 of this Appendix A to the LGIA, the Interconnection Customer may be responsible for all or a portion of the following other network upgrades, under the conditions described above.~~

~~1. Telecommunications:~~

~~Install approximately 30 miles of new fiber optic cable from Gale Substation to Pisgah Substation using an existing distribution pole line between the two facilities.~~

<del>Element</del>	<del>Other Reliability Network Upgrades</del>	<del>Maximum Cost Exposure- Other Potential Facilities Cost</del>
<del>Telecommunications</del>	<del>\$2,966,000</del>	<del>\$2,966,000</del>
<del>Total</del>	<del>\$2,966,000</del>	<del>\$2,966,000</del>

## Appendix B To LGIA

### Milestones

1. ~~The Interconnection Customer's Selected Option:~~ Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

#### 2. ~~Milestone Dates:~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of security for the Participating TO's Interconnection Facilities to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA	Interconnection Customer	In accordance with the amounts and schedule as provided in Section 10 of Appendix A.
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within Thirty (30) Calendar Days prior to the estimated SCE construction start date in Group 3 Milestones
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	In accordance with the amounts and schedule as provided in Section 11 of Appendix A.
(f)	Completion of the Participating		

	<del>TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades</del>	<del>Participating TO</del>	<del>Within sixty (60) months following the Effective Date<sup>(1)(2)</sup></del>
<del>(g)</del>	<del>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Granite Mountain Wind Farm Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date</del>
<del>(h)</del>	<del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(i)</del>	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation</del>
<del>(j)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(k)</del>	<del>Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Granite Mountain Wind Farm Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date.</del>
<del>(l)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final</del>

			specifications
(m)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(n)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
(o)	In-Service Date	Interconnection Customer	October 24, 2013
(p)	Initial Synchronization Date/Trial Operation	Interconnection Customer	October 31, 2013
(q)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(r)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Granite Mountain Wind Farm Project in accordance with Article 6.1 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date
(s)	Provide written approval to the Interconnection Customer for the operation of the Granite Mountain Wind Farm Project in accordance with Article 6.1 of the LGIA	Participating TO	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date
(t)	Commercial Operation Date	Interconnection Customer	December 31, 2013
(u)	Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO	Interconnection Customer	Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed

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

~~(1) If an approved Environmental Impact Study or Environmental Impact Report is received by Participating TO by June 1, 2011, then the milestone listed in Section 2(f) above may be reduced by twenty four (24) months.~~

~~(2) The Interconnection Customer requested an In-Service Date of October 1, 2013. The Participating TO recognizes that the Interconnection Customer desires an In-Service Date that is earlier than the target in-service date as indicated in Appendix B, Section 2(f) of the LGIA. The Participating TO will work with the Interconnection Customer to determine whether an earlier in-service date can be achieved using Reasonable Efforts, as determined solely by the Participating TO. The Participating TO has made preliminary estimates that the Interconnection Customer's proposed In-Service Date of October 1, 2013 may be achievable. Such determination will take into account factors including, but not limited to, safety, cost, impacts on other projects and customers, system priorities, and resource availability. If an earlier In-Service Date is determined to be feasible, the Participating TO will use Reasonable Efforts to achieve such earlier date; however, the Participating TO has no obligation to meet the Interconnection Customer's requested earlier In-Service Date.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the Granite Mountain Wind Farm Project may require re-evaluation due to the suspension of the project and changes to the Participating TO's electrical system or addition of new generation.~~

## **Appendix C To LGIA**

### **Interconnection Details**

**1. ~~Generating Facility:~~** All equipment and facilities comprising the Granite Mountain generating facility in San Bernardino County, at the site identified as N34.535W117.028, California, as disclosed by the Interconnection Customer in its Interconnection Request, which, upon revision, now consists of twenty 3MW Vestas V-90 wind turbine generators and the associated infrastructure and, step-up transformers, meters and metering equipment and appurtenant equipment (the “Granite Mountain Wind Farm Project”).

**2. ~~Interconnection Customer Operational Requirements.~~**

(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Granite Mountain Wind Farm Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.

(b) The Granite Mountain Wind Farm Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.

**3. ~~Interconnection Principles:~~**

(a) This LGIA provides for interconnection of a total capacity of 60 MW, resulting from the interconnection of the Granite Mountain Wind Farm Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.

(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Granite Mountain Wind Farm Project to the Participating TO’s electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation in accordance with Section 12.4 of the LGIP. There are no known third-party transmissions systems affected by the interconnection of the Granite Mountain Wind Farm Project

(c) In the event the Participating TO’s Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make

~~payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) — Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Granite Mountain Wind Farm Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Granite Mountain Wind Farm Project or the Interconnection Customer's Interconnection Facilities.~~

~~(e) — The Participating TO's approval process specified in Article 6.1 of the LGIA will include verification that the required low-voltage ride-through and power factor correction equipment, if any, pursuant to Appendix H of this LGIA, have been installed.~~

~~(f) — Interconnection Customer shall use Reasonable Efforts to work with applicable Governmental Authorities to include the Participating TO's Interconnection Facilities and/or Network Upgrades (where applicable) in all such environmental impact studies, where applicable. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation, and maintenance of the, Participating TO's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades described in Appendix A of this LGIA.~~

~~(g) — The Interconnection Customer is responsible for all costs associated with any necessary relocation of any Participating TO facilities as a result of the Granite Mountain Wind Farm Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of Participating TO facilities or use of Participating TO property rights shall only be permitted upon written agreement between Participating TO and the Interconnection Customer. Any proposed relocation of Participating TO facilities or use of Participating TO property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of Participating TO facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered a Network Upgrade and would not be refundable to the Interconnection Customer.~~

~~(h) — This LGIA does not address any requirements for standby power or temporary construction power that the Granite Mountain Wind Farm Project may require prior to the in-service date of the Interconnection Facilities. Should the Granite Mountain Wind Farm Project require standby power or temporary construction power from Participating~~

~~TO prior to the in-service date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with Participating TO to receive and pay for such retail service.~~

~~(i) An earlier Interconnection Request, CAISO queue #125 project triggered the need to install a new Cool Water-Lugo 220kV Transmission Line and also an SPS to trip off the CAISO #125 project under the outage of the new Coolwater-Lugo 220kV Transmission Line.~~

~~It is estimated at this time that, although the new Coolwater-Lugo 220kV Transmission Line is required for the CAISO queue #125 project, it will actually be constructed after the Jasper Substation is in service. At the time when the Cool Water-Lugo 220kV Transmission Line is installed, the line will be looped into the new Jasper Substation and reconfigured into the Cool Water-Jasper and Jasper-Lugo 220kV Transmission Lines.~~

~~The technical assessment study identified the need to modify the earlier SPS originally installed to trip off the CAISO queue #125 project under the outage of the Cool Water-Lugo 220kV Transmission Line to now trip off the Granite Mountain Wind Farm Project under the following outage:~~

- ~~• Jasper-Lugo 220kV Transmission Line~~

~~NOTES: The Granite Mountain Wind Farm Project is not responsible for the cost of the Cool Water-Lugo 220kV Transmission Line loop into Jasper Substation.~~

~~After the Cool Water-Jasper and Jasper-Lugo 220kV Transmission Lines are completed, the Granite Mountain Wind Farm Project will be required to participate in the SPS described above, for the outage of the Jasper-Lugo 220kV Transmission Line.~~

#### ~~4. Interconnection Operations:~~

~~(a) The Interconnection Customer shall cause the Granite Mountain Wind Farm Project to participate in any SPS required in accordance with Applicable Reliability Standards and Good Utility Practice, to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the Granite Mountain Wind Farm Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS.~~

~~(b) The Interconnection Customer shall cause the Granite Mountain Wind Farm Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~

~~(c) Following outages of the Interconnection Facilities or the Granite Mountain Wind Farm Project, the Interconnection Customer shall not energize the Granite Mountain Wind Farm Project for any reason without specific permission from the Participating~~

~~TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(d) — The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center and the CAISO. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~(e) — Additional operational studies may be performed by the Participating TO on an as needed basis as directed by the CAISO, and at the Interconnection Customer's expense to confirm if any of the circuit breaker upgrades or replacements identified in the Interconnection Study as being triggered by queued ahead projects are required to be advanced in order to accommodate interconnection of the Granite Mountain Wind Farm Project. In the event that it is determined by the Participating TO that any such upgrades or replacements are required to be advanced in order to accommodate interconnection of the Granite Mountain Wind Farm Project, such advancement shall be addressed in accordance with Section 12.2.2 of the LGIP.~~

~~**5. — Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Granite Mountain Wind Farm Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

## **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 is a part of the LGIA.~~

~~[Date]~~

~~Mr. Stephen Ruty  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: Granite Wind, LLC Granite Mountain Wind Farm Project Electric Generating Unit~~

~~Dear Messrs. Ruty, Kott, and Law:~~

~~On **[Date] Granite Wind, LLC** has completed Trial Operation of Granite Mountain Wind Farm Project Unit No. \_\_\_\_\_. This letter confirms that Granite Wind, LLC commenced Commercial Operation of Granite Mountain Wind Farm Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.~~

~~Thank you.~~

~~[Signature]~~

~~[Interconnection Customer Representative]~~

~~cc: Linda Wright~~

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

**1. General Notices:**

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</del>	<del>c/o Renewable Energy System Americas Inc. 11101 W. 120<sup>th</sup> Ave. Suite 400 Broomfield, Colorado 80021 Phone: 303-439-4200 Fax: 303-439-4299</del>

**2. Operating Communications and Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information ten (10) Calendar Days prior to the Initial Synchronization Date of the Granite Mountain Wind Farm Project:

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
		<del>Granite Wind, LLC</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:</del>
<del>Alternate Phone:</del>		<del>*Operation Center Fax. No.: *E-mail:</del>

**3. Operational Matters, Force Majeure, and Outage Notices:**

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Name/Title: Phone:</del>

~~4. For Emergencies:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Name/Title: Phone:</del>

~~5. Billing and Payments:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</del>	<del>Mr. Brian Evans and Ms. Marcia Emmons 11101 W. 120<sup>th</sup> Ave. Suite 400 Broomfield, Colorado 80021 Phone: 303-439-4200 Fax: 303-439-4299</del>

~~6. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del><a href="mailto:lwright@caiso.com">lwright@caiso.com</a></del>	<del>Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152</del>	<del>Mr. Brian Evans and Ms. Marcia Emmons 11101 W. 120<sup>th</sup> Ave. Suite 400 Broomfield, Colorado 80021 Phone: 303-439-4200 Fax: 303-439-4299</del>

~~Appendix G  
To LGIA~~

~~Execution of the Reliability Management System (“RMS”) Agreement below will be a condition subsequent to execution of this LGIA, and will be required only if the FERC does not approve of the CAISO’s proposal to eliminate the obligation of the Interconnection Customer to execute the RMS Agreement as set forth in Article 9.1 of this LGIA~~

~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
GRANITE WIND, LLC~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the “Agreement”), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between California Independent System Operator Corporation (the “Transmission Operator”) and Granite Wind, LLC (the “Generator”).~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~1. PURPOSE OF AGREEMENT~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator’s commitment to comply with certain reliability standards.~~

## ~~2. DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

~~**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.~~

~~**FERC** means the Federal Energy Regulatory Commission or a successor agency.~~

~~**Member** means any party to the WSCC Agreement.~~

~~**Party** means either the Generator or the Transmission Operator and~~

~~**Parties** means both of the Generator and the Transmission Operator.~~

~~**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.~~

~~**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.~~

~~**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.~~

~~**WSCC** means the Western Systems Coordinating Council or a successor entity.~~

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~WSCC Staff~~ means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### ~~3. TERM AND TERMINATION~~

~~3.1 Term.~~ This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable].

[Note: if the interconnection agreement is not FERC jurisdictional, replace bracketed language with: [on the later of: (a) the date of execution; or (b) the effective date of the WSCC RMS Agreement.]]

~~3.2 Notice of Termination of WSCC RMS Agreement.~~ The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.

~~3.3 Termination by the Generator.~~ The Generator may terminate this Agreement as follows:

- ~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~
- ~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~
- ~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~3.4 Termination by the Transmission Operator.~~ The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.

~~3.5 Mutual Agreement.~~ This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.

#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty-five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

#### ~~5. SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~6. THIRD PARTIES~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~8. NOTICES~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator \_\_\_\_\_  
 \_\_\_\_\_ California ISO~~

~~\_\_\_\_\_ Ms. Roni Reese  
\_\_\_\_\_ 151 Blue Ravine Rd.  
\_\_\_\_\_ Folsom, CA 95630  
\_\_\_\_\_ Phone: (916) 608-7027  
\_\_\_\_\_ Fax: (916) 608-7292~~

~~Generator  
Granite Wind, LLC  
c/o Renewable Energy System Americas Inc.  
11101 west 120<sup>th</sup> Ave.  
Suite 400  
Broomfield, Colorado 80021  
Phone: 303-439-4200  
Fax: 303-439-4299~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## ~~9. APPLICABILITY~~

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## ~~10. AMENDMENT~~

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

## ~~11. INTERPRETATION~~

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

**12. PROHIBITION ON ASSIGNMENT**

This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.

**13. SEVERABILITY**

If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.

**14. COUNTERPARTS**

This Agreement may be executed in counterparts and each shall have the same force and effect as an original.

**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Granite Wind, LLC**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**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. The LVRT standard provides for a transition period standard and a post-transition period standard.

#### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

~~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, etc.) 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 network 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.~~

### ~~Post-transition Period LVRT Standard~~

~~All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 V**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 89 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Manzana Wind LLC, SCE, and ISO, designated as SCE Service Agreement No. 89

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment W - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1718**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Manzana Wind LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 89.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 89, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment X - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1718**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Manzana Wind LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 89.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 89, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

~~Title Page~~

~~California Independent System Operator  
Non-Conforming Service Agreements  
Tariff Record Title: Service Agreement No. 1718~~

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

~~AMONG~~

~~MANZANA WIND LLC~~

~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~MANZANA WIND PROJECT~~

~~01/10/2011~~ Tariff Record Proposed Effective Date:

~~Version Number: 0.0.0~~

~~Option Code: A~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~MANZANA WIND LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among Manzana Wind LLC, a limited liability company organized and existing under the laws of the State/Commonwealth of Oregon ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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.~~

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~~**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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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 Standard 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.~~

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**Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third-party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

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

**IRS** shall mean the Internal Revenue Service.

**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.

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

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

**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~—————**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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 — Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, as of the date of the other Parties' receipt of the notice of termination, subject to the limitations set forth in this Article 2.4. Nothing in this Article 2.4 shall limit the Parties' rights under Article 17.~~

~~**2.4.1** — Notwithstanding the foregoing, in the event of termination by a Party, all Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. With respect to any portion of the Participating TO's Interconnection Facilities that have not yet been constructed or installed, the Participating TO shall to the extent possible and with the Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event the Interconnection Customer elects not to authorize such cancellation, the Interconnection Customer shall~~

~~assume all payment obligations with respect to such materials, equipment, and contracts, and the Participating TO shall deliver such material and equipment, and, if necessary, assign such contracts, to the Interconnection Customer as soon as practicable, at the Interconnection Customer's expense. To the extent that the Interconnection Customer has already paid the Participating TO for any or all such costs of materials or equipment not taken by the Interconnection Customer, the Participating TO shall promptly refund such amounts to the Interconnection Customer, less any costs, including penalties, incurred by the Participating TO to cancel any pending orders of or return such materials, equipment, or contracts.~~

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

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

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

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

### ~~**ARTICLE 3. REGULATORY FILINGS AND 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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7—**Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.~~

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~~**5.10—Interconnection Customer's Interconnection Facilities.**—The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.~~

~~**5.10.1—Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.**—The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

~~fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.~~

## **ARTICLE 7. METERING**

~~**7.1 — General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2 — 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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.~~

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~~**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 the Applicable Reliability Council in the event of an under frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under frequency and over frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.

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

#### ~~9.9—Use of Interconnection Facilities by Third Parties.~~

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

~~9.9.2—Third Party Users.~~ If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection

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

~~**9.10 — Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

~~**11.4—Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5—Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar for dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~**11.5.1**—The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~**11.6—Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the~~

~~Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3 — Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 — Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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.~~

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~~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 "stop 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 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.~~

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~~**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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

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~~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.

~~**Southern California Edison Company**~~

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

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

~~Date: \_\_\_\_\_~~

~~**California Independent System Operator Corporation**~~

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

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

~~Date: \_\_\_\_\_~~

~~**Manzana Wind LLC**~~

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

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

~~Date: \_\_\_\_\_~~

~~**Manzana Wind LLC**~~

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

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

~~Date: \_\_\_\_\_~~

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**Appendices to LGIA**

Appendix A — Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B — Milestones

Appendix C — Interconnection Details

Appendix D — Security Arrangements Details

Appendix E — Commercial Operation Date

Appendix F — Addresses for Delivery of Notices and Billings

Appendix G — Reliability Management System Agreement

Appendix H — Interconnection Requirements for a Wind Generating Plant

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## **Appendix A To LGIA**

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

#### **1. ~~Interconnection Facilities:~~**

##### **~~(a) Interconnection Customer's Interconnection Facilities:~~** The Interconnection Customer shall:

- ~~• Install one 220/34.5 kV collector substation with two 220/34.5 kV, 90/120/150 MVA transformers, each connected to seven 34.5 kV distribution feeders.~~
- ~~• Install one 220 kV, 954 kcmil ACSR generation tie-line, approximately 5.66 circuit miles long.~~
- ~~• Design and install optical ground wire ("OPGW") as part of the construction of the generation tie-line. A minimum of eight strands within the OPGW shall be provided for the Participating TO's exclusive use to accommodate the Manzana Wind Project.~~
- ~~• Install all required CAISO-approved compliant metering at the Manzana Wind Project in accordance with Article 10 of the CAISO Tariff.~~
- ~~• Install 220 kV revenue quality retail metering units (e.g., potential and current transformers) at the Manzana Wind Project.~~
- ~~• Install one dedicated 125 VDC circuit, one dedicated 115 VAC convenience circuit, and required station interface data connections up to the Participating TO's remote terminate unit ("RTU") located at the Manzana Wind Project.~~
- ~~• Provide sufficient floor space within a secure building having suitable environmental controls for the Participating TO to install and operate one 8-foot high by 19-inch wide communications equipment rack for the Participating TO's RTU. Provide two dedicated 10 amp branch circuits for the rack from the station light and power 125 VDC system.~~
- ~~• Install an optical entrance cable from the OPGW to a patch panel in the Participating TO's communications equipment rack at the Interconnection Customer's substation.~~

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

###### **~~(i) Whirlwind Substation – Line Drop:~~**

- ~~• Install new 220 kV switchrack position to terminate the Manzana Wind Project 220 kV generation tie-line. This work includes the position dead-end structure, conductors, and coupling capacitor voltage transformers ("CCVTs").~~
-

- Install the following protection relays on the generation tie-line position:
  - One General Electric ("GE") D60 relay as "System A" backup protection to the Interconnection Customer's generation protection.
  - One Schweitzer SEL-311C relay as "System B" backup protection to the Interconnection Customer's generation protection.

**(ii) — Manzana Wind Project 220 kV Generation Tie-Line:**

Install the transmission line, approximately 500 feet, equipped with 2-1500 kcmil ACSR from the Interconnection Customer's dead-end tower located nearest to Whirlwind Substation to the 220 kV switchrack position at Whirlwind Substation. Install one dead-end transmission tower, two spans of conductors and nine dead-end insulator/hardware assemblies between the Interconnection Customer's dead-end tower nearest to Whirlwind Substation and the Whirlwind Substation dead-end structure.

**(iii) — Power Systems Control — Manzana Wind Project:**

Install one RTU at the Manzana Wind Project to monitor the project's generation data, such as low-side MW, MVAR, kV, circuit breaker status, auxiliary load MW and MVAR, and relay protection status alarms. Notwithstanding the fact that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.

**(iv) — Telecommunication — Generation Tie-Line Protection:**

Install approximately 500 feet of optical fiber cable to extend OPGW from the Interconnection Customer's transmission structure outside of, and nearest to, the Whirlwind Substation fence into the communication room at Whirlwind Substation. Install SONET optical multiplex and channel equipment at Whirlwind Substation and at the Manzana Wind Project substation. Install the communications equipment rack at the Interconnection Customer's facilities as described in Section 1(a) above. Notwithstanding the fact that the SONET optical multiplex and channel equipment at the Manzana Wind Project substation and the communication equipment rack will be located on the Interconnection Customer's side of the Point of Change of Ownership, such facilities will be owned, operated and maintained by the Participating TO.

**(v) — Environmental Permits:**

Verify the Interconnection Customer's environmental impact report and associated documents.

**2. — Network Upgrades:**

**a) — Stand Alone Network Upgrades:** None.

**b) — Other Network Upgrades:**

**(i) — Participating TO's Reliability Network Upgrades:**

The Participating TO shall:

**A. Initial Reliability Network Upgrades:**

● Whirlwind 500/220 kV Substation:

○ Install the section of 500 kV switchyard required for the 500 kV bank position and the new line positions to terminate the Antelope, Midway and Vincent 500kV transmission lines. In an effort to expedite the looping in of Whirlwind Substation to the Midway — Vincent No. 3 500 kV transmission line using Reasonable Efforts, the Participating TO shall coordinate with the CAISO and the Pacific Gas and Electric Company ("PG&E"), an owner of the Midway — Vincent No. 3 500 kV transmission line, to terminate a segment of such line into the Whirlwind Substation 500 kV bus and form the new Midway-Whirlwind 500 kV line prior to terminating the Antelope and Vincent 500 kV transmission lines, provided that such work is deemed feasible by the Participating TO. The Interconnection Customer understands that such work to expedite the looping in of Whirlwind Substation is dependent upon modification of the following existing

remedial action schemes (“RAS”) in a timely manner and the receipt of any necessary approvals from the WSCC: (i) the Path 26 RAS by PG&E, and (ii) the Midway-Vincent RAS by the Participating TO. Such RAS modifications are required on an interim basis until the Tehachapi Renewable Transmission Project is placed in service. The scope of work and estimated cost for the RAS modification performed by the Participating TO are not currently included in the LGIA, and are in the process of being determined by the Participating TO. The Interconnection Customer shall be responsible for the cost of the work associated with the RAS modification performed by the Participating TO, and the LGIA shall be amended to include such scope of work and estimated cost, subject to FERC’s acceptance or approval.

○ Install one 1,120 MVA 500/220kV transformer bank and the section of 220 kV switchyard required for the 220 kV bank position and the Manzana Wind Project generation tie-line.

○ Equip a 220 kV position at Whirlwind Substation with two 220 kV circuit breakers and four sets of 220 kV disconnect switches to terminate the Manzana Wind Project’s generation tie-line.

○ Install a 12 kV distribution circuit to provide a source of station light and power.

● **Midway-Vincent No. 3 500 kV Transmission Line:**

Loop the existing 500 kV transmission line into the new Whirlwind Substation to form the two new Midway-Whirlwind and Vincent-Whirlwind 500 kV transmission lines.

● **Corporate Real Estate:**

Perform all required activities to secure permits and land acquisition required for the installation of the new facilities described above.

**B. Reliability Network Upgrades beyond the Initial Reliability Network Upgrades specified above:**

The Network Upgrades comprising segments four and nine of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A, excluding those facilities identified in Section 2(b)(i)A above.

**(ii) Participating TO’s Delivery Network Upgrades:**

The Network Upgrades of the Tehachapi Renewable Transmission Project as defined in Section 7 of this Appendix A, excluding segments four and nine.

**(c) Affected Systems:** None were identified in the Manzana Wind Project’s Interconnection Studies.

**3. Distribution Upgrades:** None.

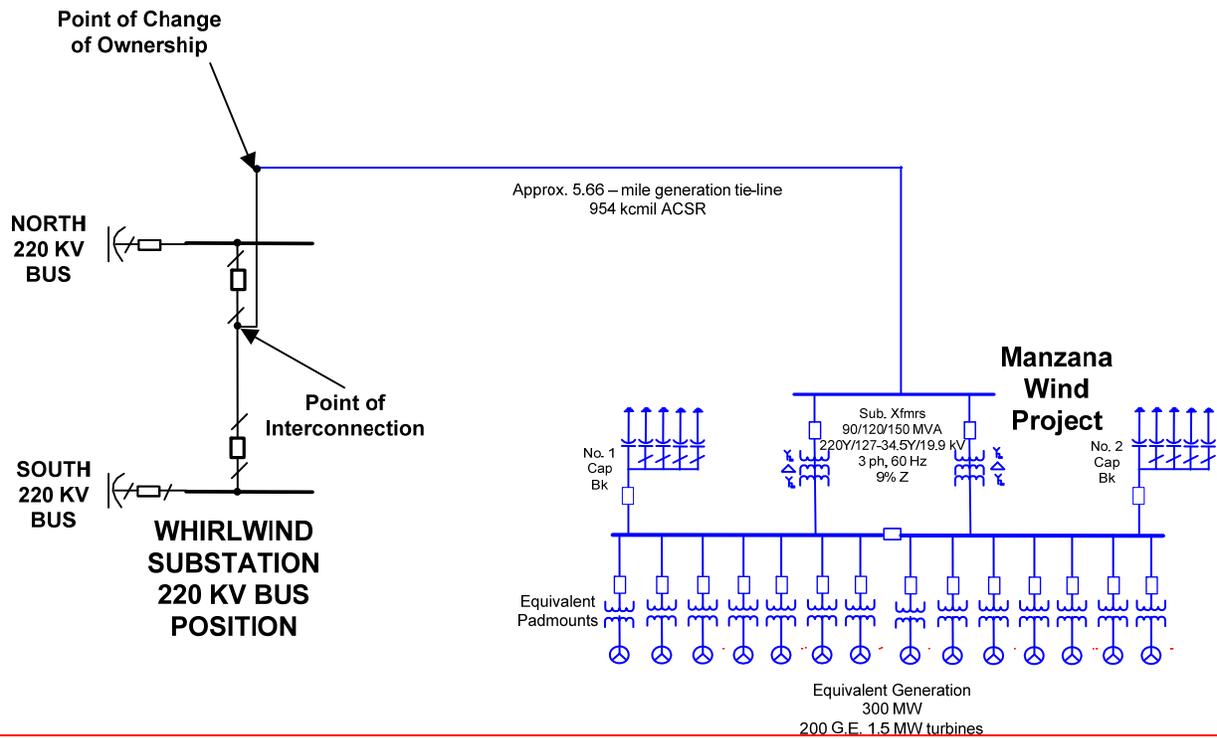
**4. Point of Change of Ownership:**

The south-facing 220 kV insulator attached to the dead-end tower of the Manzana Wind Project 220 kV generation tie-line located immediately outside the Whirlwind 220 kV Substation property line. The Interconnection Customer owns the dead-end tower, the conductors, insulators and jumper from the dead-end tower to the Interconnection Customer’s facilities back to the Manzana Wind Project. The Participating TO owns the conductors and insulators from Whirlwind Substation to the Interconnection Customer’s dead-end tower and the north-facing insulators on the Interconnection Customer’s dead-end tower between the Participating TO’s conductor and the Interconnection Customer’s conductor.

**5. Point of Interconnection:** The Participating TO’s Whirlwind Substation 220 kV bus.

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**6. One-Line Diagram of Interconnection to Whirlwind Substation:**



~~**7. — Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~(a) — Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(b) — Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(c) — CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~(d) — Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(e) — Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(f) — Initial Reliability Network Upgrades: The Reliability Network Upgrades specified in Section 2(b)(i)A of this Appendix A which are required to accommodate the interconnection and operation of the Manzanita Wind Project prior to the completion of the entire Tehachapi Renewable Transmission Project.~~

~~(g) — Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(h) — Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(i) — Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(j) — Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~

~~(k) — ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An~~

~~estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A and is shown in Section 14 of this Appendix A.~~

~~(l) — Letter Agreement: The agreement entered into between the Interconnection Customer and the Participating TO on July 15, 2010, and designated as Service Agreement No. 87 under the Participating TO's Transmission Owner Tariff, to expedite the engineering, design, and procurement of materials and equipment for the Participating TO's Interconnection Facilities.~~

~~(m) — One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities or Capital Additions which are not capitalized.~~

~~(n) — Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(o) — Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(p) — Tehachapi Renewable Transmission Project: The first eleven segments of a series of new and upgraded 220 kV and 500 kV electric transmission lines and substations required to deliver electricity from approximately 4,500 MW of generation in the Tehachapi Wind Resource Area, which is the area located within the Participating TO's service territory in the San Joaquin Valley, between Bakersfield and Mojave, California.~~

~~(q) — Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**8. — Transmission Credits:** No transmission credits or Congestion Revenue Rights are applicable since this LGIA assumes that the Participating TO will up-front finance the Network Upgrades.~~

~~**9. — Security Amount for the Participating TO's Interconnection Facilities:** The Interconnection Customer has provided cash in the amount of \$600,000 to cover the initial scope of work performed by the Participating TO pursuant to the terms of the Letter Agreement. Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$2,719,000 to cover the remaining costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~**10. — Security Amount for Estimated Tax Liability:** The Interconnection Customer has provided a parent guaranty in the amount of \$828,100 to cover the Interconnection Customer's estimated tax liability for the scope of work performed by the Participating TO pursuant to the terms of the Letter Agreement. Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~(Current Tax Rate x (Gross Income Amount — Present Value of Tax Depreciation))/(1 — Current Tax Rate)  
= 35%~~

~~Estimated tax liability = 35% \* Interconnection Facilities Cost  
= 35% \* \$3,319,000  
= \$1,161,650~~

~~Based upon the estimated tax liability, the Interconnection Customer shall increase its current parent guaranty to the amount of \$1,161,650, pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

**11. — Removal of the Participating TO's Interconnection Facilities:** ~~Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

**12. — Charges:**

~~(a) — The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Interconnection Facilities Payment; (ii) payments for any Capital Additions; (iii) Interconnection Facilities Charge; (iv) any reimbursable FERC fees pursuant to Section 13(g) of this Appendix A; (v) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (vi) termination charges pursuant to Article 2.4 of the LGIA; (vii) disconnection costs pursuant to Article 2.5 of the LGIA; and (viii) suspension costs pursuant to Article 5.16 of the LGIA.~~

~~(b) — The Interconnection Facilities Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~(c) — If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

**13. — Supplemental Billing and Payment Provisions:**

~~(a) — Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Interconnection Facilities Payment.~~

~~(b) — Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A, and such payments shall be subject to later adjustment pursuant to Sections 13(b)(i) and 13(b)(ii) below. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) — If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will bill the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) — If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, the Participating TO will credit the Interconnection Customer the difference between the amounts previously paid by the Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(c) — In the event that any portion of Participating TO's Interconnection Facilities is not complete by the requested In-Service Date but, at the request of the Interconnection Customer, the Participating TO commences Interconnection Service under this LGIA notwithstanding the uncompleted facilities, the Participating TO shall commence billing, and the Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

~~(d) — In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) — For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) — Except as provided in Section 7(b) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) — Except as provided in Section 7(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) — As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) — If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by~~

~~the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(g) — The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

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**14. Interconnection Facilities Cost Summary\*:****(a) Estimated Cost:**

<b>Element</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>ITCC @35%</b>	<b>Total</b>
<b>Participating TO's Interconnection Facilities</b>				
Whirlwind Substation—Line Drop	\$739,000	-	\$258,650	\$997,650
Generation Tie-Line	2,108,000	-	737,800	2,845,800
Power Systems Control	40,000	-	14,000	54,000
Telecommunication	384,000	-	134,400	518,400
Environmental Permits	48,000	-	16,800	64,800
<b>Total</b>	<b>\$3,319,000</b>	<b>-</b>	<b>\$1,161,000</b>	<b>\$4,480,650</b>

\*Pursuant to Section 2(b)(i)A of this Appendix A, the LGIA will be amended as necessary to include the scope of work and estimated cost for the RAS modifications to be performed by the Participating TO,

(b) Actual Cost:

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

Element	Interconnection Facilities Cost	One-Time Cost	ITCC	Total
<b>Participating TO's Interconnection Facilities</b>				
<b>Total</b>				

**15. Interconnection Facilities Charge:**

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

		<b>Estimated</b>		<b>Actual</b>	
<b>Effective Date of the Interconnection Facilities Charge</b>	<b>Customer-Financed Monthly Rate</b>	<b>Interconnection Facilities Cost</b>	<b>Interconnection Facilities Charge</b>	<b>Interconnection Facilities Cost</b>	<b>Interconnection Facilities Charge</b>
On and after the Interconnection Facilities Completion Date	0.38%	\$3,319,000	\$12,612.20	{to be inserted after true-up}	{to be inserted after true-up}

**16. Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities:**

An estimate of the monthly incurred costs to be paid by the Interconnection Customer is as shown below.

<b>Payment Period</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>Interconnection Facilities Payment</b>	<b>Due Date</b>
1	\$600,000	-	\$600,000	Payment Received 7/15/10
2	200,000	-	200,000	4/1/11
3	300,000	-	300,000	5/1/11
4	350,000	-	350,000	6/1/11
5	300,000	-	300,000	7/1/11
6	250,000	-	250,000	8/1/11
7	250,000	-	250,000	9/1/11
8	200,000	-	200,000	10/1/11
9	200,000	-	200,000	11/1/11
10	150,000	-	150,000	12/1/11
11	150,000	-	150,000	1/1/12
12	100,000	-	100,000	2/1/12
13	100,000	-	100,000	3/1/12
14	100,000	-	100,000	4/1/12
15	69,000	-	69,000	5/3/12
<b>Total</b>	<b>\$3,319,000</b>	-	<b>\$3,319,000</b>	

~~17. **Other Potential Facilities:** The CAISO and the Participating TO have determined that there are no distribution upgrades or network upgrades currently assigned to an earlier queued project(s) that would become the cost responsibility of the Interconnection Customer in the event such project(s) is withdrawn from the California ISO Controlled Grid Generation Queue and/or the Participating TO's interconnection application queue or its interconnection agreement is terminated.~~

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**Appendix B  
To LGIA**

**Milestones**

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submittal of proof of insurance coverage in accordance with Article 48.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Authorization already provided with the Letter Agreement
(c)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of security for the Participating TO's Interconnection Facilities to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(f)	Completion of the Participating TO's Interconnection Facilities and Initial Reliability Network Upgrades	Participating TO	May, 3, 2012 <sup>(1),(2)</sup>
(g)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the Manzanita Wind Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(h)	Submittal of initial information which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(i)	Submittal of updated information by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation

<del>(j)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(k)</del>	<del>Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the Manzana Wind Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date</del>
<del>(l)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
<del>(m)</del>	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least three (3) months prior to the Initial Synchronization Date</del>
<del>(n)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date</del>
<del>(o)</del>	<del>Notification of operating communications and notifications information pursuant to Appendix F of the LGIA</del>	<del>CAISO, Participating TO and Interconnection Customer</del>	<del>Prior to Initial Synchronization Date</del>
<del>(p)</del>	<del>In-Service Date</del>	<del>Interconnection Customer and Participating TO</del>	<del>May 3, 2012<sup>(1),(2)</sup></del>
<del>(q)</del>	<del>Initial Synchronization Date of Manzana Wind Project</del>	<del>Interconnection Customer</del>	<del>May 7, 2012<sup>(1),(2)</sup></del>
<del>(r)</del>	<del>Trial Operation of Manzana Wind Project</del>	<del>Interconnection Customer</del>	<del>May 9, 2012<sup>(1),(2)</sup></del>
<del>(s)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(t)</del>	<del>Testing of the Participating TO's Interconnection Facilities and testing of the Interconnection Customer's Interconnection Facilities and the Manzana Wind Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date</del>
<del>(u)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Manzana Wind Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date</del>
<del>(v)</del>	<del>Commercial Operation Date of Manzana Wind Project</del>	<del>Interconnection Customer</del>	<del>June 30, 2012<sup>(1),(2)</sup></del>
<del>(w)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>
<del>(x)</del>	<del>In-service date of all Network Upgrades</del>	<del>Participating TO</del>	<del>February 7, 2015<sup>(1)</sup></del>

Notes:

~~(1) The Interconnection Customer understands and acknowledges that such milestone due dates are only estimates and that equipment and material lead times, labor availability, outage coordination, adverse weather or field conditions, environmental permits and other regulatory approvals, or other unforeseen events could delay the actual in-service dates beyond that specified. The Participating TO shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this LGIA.~~

~~(2) The Interconnection Customer initially requested an In-Service Date of November 1, 2011. The Participating TO recognizes that the Interconnection Customer desires an In-Service Date that is earlier than the target In-Service Date in the LGIA. The Participating TO will work with the Interconnection Customer to determine whether an earlier In-Service Date can be achieved using Reasonable Efforts, as determined solely by the Participating TO. Such determination will take into account factors including, but not limited to, safety, cost, impacts on other projects and customers, system priorities, and resource availability. If an earlier In-Service Date is determined to be feasible, the Participating TO will use Reasonable Efforts to achieve such earlier date; however, the Participating TO has no obligation to meet the Interconnection Customer's requested earlier In-Service Date.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestone due dates for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone due dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone due dates.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the Manzana Wind Project may require re-evaluation due to the suspension of the project and changes to the Participating TO's electrical system or addition of new generating resources.~~

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## Appendix C To LGIA

### Interconnection Details

The CAISO received an Interconnection Request on August 19, 2003, from enXco USA, Inc. for the interconnection of the Cottonwood Creek Project pursuant to Section 3.5 of the LGIP. enXco USA, Inc. provided written notice on July 21, 2004, that the Interconnection Customer and project name were subsequently changed to PdV Wind Partners, LLC and the PdV Wind Project, respectively. Effective May 19, 2005, the PdV Wind Project was sold by PdV Wind Partners, LLC to PPM Energy, Inc. On January 25, 2006, PPM Energy, Inc. provided written notice that the name of the PdV Wind Project was changed to the Manzana Wind Project. The name of PPM Energy, Inc. was subsequently changed to Iberdrola Renewables, Inc. effective March 10, 2008. Iberdrola Renewables, Inc. later assigned the Manzana Wind Project to Manzana Wind LLC, effective August 17, 2010.

**1. — Generating Facility:** All equipment and facilities comprising the wind generating facility located in Kern County, California, as disclosed by the Interconnection Customer in its Interconnection Request, which consists of 200 GE 1.5 MW wind turbine generators capable of generating 300 MW with a total project net output of 300 MW, power factor equipment, meters and metering equipment and appurtenant equipment (the “Manzana Wind Project”). The Manzana Wind Project is fully or partially located in the following areas of Kern County: (i) Section 2 in Township 9N, Range 15W and (ii) Sections 4, 9, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 and 35 in Township 10N, Range 15W, all in the San Bernardino Baseline and Meridian.

### **2. — Interconnection Customer Operational Requirements:**

(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Manzana Wind Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WSCC reliability standards and Applicable Reliability Standards.

(b) The Manzana Wind Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: (i) inadvertent and unwanted re-energizing of a utility dead line or bus; (ii) interconnection while out of synchronization; (iii) overcurrent; (iv) voltage imbalance; (v) ground faults; (vi) generated alternating current frequency outside permitted safe limits; (vii) power factor or reactive power outside permitted limits; and (viii) abnormal waveforms.

### **3. — Interconnection Principles:**

(a) This LGIA provides Interconnection Service for a maximum capacity of 300 MW, resulting from the interconnection of the Manzana Wind Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.

(b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Manzana Wind Project to the Participating TO’s electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. The Interconnection Studies for the Manzana Wind Project did not identify any mitigation measures required to third party transmission systems resulting from the interconnection of the Manzana Wind Project to the Participating TO’s electrical system.

(c) In the event the Participating TO’s Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO’s applicable retail tariffs, the Participating TO’s Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.

(d) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Manzana Wind Project or the Interconnection Customer’s Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or

reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Manzanita Wind Project or the Interconnection Customer's Interconnection Facilities.

(c) The Participating TO's approval process specified in Article 6.1 of the LGIA will include verification that the required low-voltage ride-through and power factor correction equipment, if any, pursuant to Appendix H of this LGIA, have been installed.

#### **4. Interconnection Operations:**

(a) The Interconnection Customer shall cause the Manzanita Wind Project to participate in reasonable and required SPS required to prevent thermal overloads and unstable conditions resulting from outages, and such SPS will not be implemented in a discriminatory manner toward the Manzanita Wind Project or other generating facility. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the Manzanita Wind Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS.

(b) The Interconnection Customer shall cause the Manzanita Wind Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols. An operating procedure will be used to trip off the Manzanita Wind Project's generation, and that of other generation projects in the region, in the event that generation is not curtailed in the time allowed by each respective project in accordance with the CAISO's instructions pursuant to established operating procedure. In the event of non-compliance by one or more generation projects in the region, or for other operating reasons, an automatic congestion management system may be used to trip off generation when the MW's being generated by the Manzanita Wind Project and those of other generators exceed the capability of the transmission system equipment installed at that time. Because real-time congestion in the Tehachapi area caused by generation exceeding the transmission capability should be addressed in a systematic and coordinated manner, and because the need for an automatic congestion management system may be triggered by individual generator behavior, such facilities cannot be identified at this time. Should need for these facilities arise, the cost responsibility for these facilities will not be allocated to the Interconnection Customer. However, the Manzanita Wind Project may be subject to outages without any compensation, related to the installation, testing, and operation of such facilities at that time.

(c) Following outages of the Interconnection Facilities or the Manzanita Wind Project, the Interconnection Customer shall not energize the Manzanita Wind Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.

(d) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.

**5. Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Manzanita Wind Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA. The Participating TO acknowledges that the Interconnection Customer and Participating TO have coordinated and cooperated on the assessment of the reliability impacts of new facilities in the Tehachapi wind resource area through the Interconnection Study process.

**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.aiso.com/pubinfo/info-security/index.html>.

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**Appendix E  
To LGIA**

**Commercial Operation Date**

This Appendix E is a part of the LGIA.

**[Date]**

Mr. Stephen Ruty  
 Manager of Grid Assets  
 California Independent System Operator Corporation  
 151 Blue Ravine Road  
 Folsom, CA 95630

Mr. Robert Kott  
 Manager of Model and Contract Implementation  
 California Independent System Operator Corporation  
 151 Blue Ravine Road  
 Folsom, CA 95630

Mr. William Law  
 Manager, Grid Contracts Administration and Billing  
 Southern California Edison Company  
 P. O. Box 800  
 2244 Walnut Grove Avenue  
 Rosemead, California 91770

Re: \_\_\_\_\_ Manzana Wind Project  
 Dear Messrs. Ruty, Kott, and Law:

On **[Date]** **Manzana Wind LLC** has completed Trial Operation of Manzana Wind Project Unit No. \_\_\_\_\_. This letter confirms that Manzana Wind LLC commenced Commercial Operation of Manzana Wind Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

cc: Linda Wright

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

1. General Notices:

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 151 Blue Ravine Rd.	Southern California Edison Company	(1) Manzana Wind LLC c/o Iberdrola Renewables

<del>Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P.O. Box 600 Rosemead, CA 91770</del>	<del>1125 NW Couch, Suite 700 Portland, Oregon 97209 Attn: Contracts Manager (2) With a copy to: Director Transmission</del>
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~~2. Operating Communications and Notifications:~~

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information prior to the Initial Synchronization Date:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Southern California Edison Company Grid Control Center/24 Hour Telephone:</del>	<del>(1) Manzana Wind LLC c/o Iberdrola Renewables 1125 NW Couch, Suite 700 Portland, Oregon 97209 Attn: Asset Management (2) With a copy to: Director Transmission</del>
<del>Alternate Phone:</del>		

**Operational Matters, Force Majeure, and Outage Notices:**

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Southern California Edison Company Grid Control Center/24 Hour Telephone:	(1) Manzana Wind LLC c/o Iberdrola Renewables, 1125 NW Couch, Suite 700 Portland, Oregon 97209 Attn: Asset Management (2) With a copy to: Director Transmission

**For Emergencies:**

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Manzana Wind LLC National Control Center 1125 NW Couch Suite 700 Portland, OR 97209 Telephone: (503) 796-6934 Toll Free: (866) 351-5657 Fax: (503) 478-6392 <a href="mailto:nationalcontrolcenter@iberdrolaren.com">nationalcontrolcenter@iberdrolaren.com</a>

**3. Billing and Payments:**

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Manzana Wind LLC c/o Iberdrola Renewables Accounts Payables 1125 NW Couch, Suite 700 Portland, Oregon 97209 Attn: Director Wind Asset Management

**4. Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):**

CAISO	Participating TO	Interconnection Customer
<a href="mailto:lwright@caiso.com">lwright@caiso.com</a>	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	<a href="mailto:David.glenn@iberdrolaren.com">David.glenn@iberdrolaren.com</a> <a href="mailto:Jon.fischer@iberdrolaren.com">Jon.fischer@iberdrolaren.com</a>

**Execution of the RMS Agreement will be a condition subsequent to execution of this LGIA and will be required only if the Federal Energy Regulatory Commission does not approve of the ISO's proposal to eliminate the obligation of the Interconnection Customer to execute the RMS Agreement as set forth in Article 9.1 of this LGIA.**

**Appendix G  
To LGIA**

**Reliability Management System Agreement**

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT**  
**by and between**  
**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**  
**and**  
**MANZANA WIND LLC**

**THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT** (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the California Independent System Operator Corporation (the "Transmission Operator") and Manzana Wind LLC (the "Generator").

**WHEREAS**, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;

**WHEREAS**, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and

**WHEREAS**, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:

**1. \_\_\_\_\_ PURPOSE OF AGREEMENT**

The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.

**2. \_\_\_\_\_ DEFINITIONS**

In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below:

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator or the Transmission Operator and

**Parties** mean both of the Generator and the Transmission Operator.

**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.~~

### ~~3. TERM AND TERMINATION~~

~~**3.1 Term.** This Agreement shall become effective thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable.~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows: (a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement; (b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or (c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC~~

~~process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty-five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

## ~~5. ——— SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~6. ——— THIRD PARTIES~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. ——— REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing.~~

## ~~8. ——— NOTICES~~

Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:

Transmission Operator: Ms. Roni L. Reese  
 Sr. Contracts Analyst  
 Infrastructure Policy & Contracts  
 California Independent System Operator Corporation  
 151 Blue Ravine Road  
 Folsom, California 95630  
 Phone: (916) 608-7027  
 Fax: (916) 608-7292

Generator: ——— Manzana Wind LLC  
 c/o Iberdrola Renewables, Inc.  
 1125 NW Couch, Suite 700  
 Portland, Oregon 97209  
 Attn: Contracts Manager  
 Phone: (503) 796-7034  
 Fax: (503) 478-6394

with a copy to:  
 Manzana Wind LLC  
 c/o Iberdrola Renewables, Inc.  
 1125 NW Couch, Suite 700  
 Portland, Oregon 97209  
 Attn: Asset Management

The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.

## **9. ——— APPLICABILITY**

This Agreement (including all appendices hereto and, by reference, the WSCC Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.

## **10. ——— AMENDMENT**

No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.

## **11. ——— INTERPRETATION**

Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.

## **12. ——— PROHIBITION ON ASSIGNMENT**

This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the

~~WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

~~**13. SEVERABILITY**~~

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

~~**14. COUNTERPARTS**~~

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

---

~~IN WITNESS WHEREOF~~, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

~~California Independent System Operator Corporation~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

~~Manzana Wind LLC~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

~~Manzana Wind LLC~~

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

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## **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. The LVRT standard provides for a transition period standard and a post-transition period standard.

##### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 pre-fault 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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), 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 transmission system.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
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, etc.) 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 network 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.

##### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 pre-fault 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 Interconnection System Impact 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 Interconnection System Impact 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.~~

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**Attachment Y**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 109 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among NextEra Desert Center Blythe, LLC, SCE, and ISO, designated as SCE Service Agreement No. 109

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,

  
\_\_\_\_\_  
Keith E. Casey

Dated: July 12, 2013

**Attachment Z - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 2220**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among NextEra Desert Center Blythe, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 109.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 109, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment AA - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 2220**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among NextEra Desert Center Blythe, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 109.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 109, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

California Independent System Operator Corporation  
Non-Conforming Service Agreements  
Tariff Record Title: Service Agreement No. 2220

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

**NEXTERA DESERT CENTER BLYTHE, LLC**

**AND**

**SOUTHERN CALIFORNIA EDISON COMPANY**

**AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**(Genesis McCoy Solar Project)**

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Tariff Record Proposed Effective Date: 08/25/11

Version Number: 0.0.0

Option Code: A

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## ~~LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~NEXTERA DESERT CENTER BLYTHE, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS LARGE GENERATOR INTERCONNECTION AGREEMENT (“LGIA”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and among **NextEra Desert Center Blythe, LLC**, a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware (“Interconnection Customer” with a Large Generating Facility), **Southern California Edison Company**, 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~~

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~~**Abandoned Plant Approval** shall mean a FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such facilities are abandoned due to circumstances outside of the Participating TO's control.~~

~~**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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

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~~**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.~~

~~**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.~~

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~~**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.~~

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~~**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.~~

~~**Generator Interconnection Procedures (GIP)** shall mean the CAISO protocol that sets forth the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility or Small Generating Facility that is included in CAISO Tariff Appendix Y.~~

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

~~**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.~~

~~**Governing Independent Study Process Interconnection Studies** shall mean the engineering study(ies) 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, which shall consist primarily of a Facilities Study as described in Section 4.5 of the Generation Interconnection Procedures or a System Impact Study as described in Section 4.4 of the Generation Interconnection Procedures.~~

~~**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 mean any of the financial instruments listed in Section 9.1 of the GIP that are posted by an Interconnection Customer.~~

~~**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 Generator Interconnection Procedures, in accordance with the CAISO Tariff.~~

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~~**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~~

~~(i) \_\_\_\_\_ For Interconnection Requests processed under the cluster study process described in the Generator Interconnection Procedures, 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 Generator Interconnection Procedures;~~

~~(ii) \_\_\_\_\_ For Interconnection Requests processed under the Independent Study Process described in the Generator Interconnection Procedures, the governing study(ies) conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), pursuant to the Generator Interconnection Procedures, which shall consist primarily of a Facilities Study as described in Section 4.5 of the GIP or a System Impact Study as described in Section 4.4 of the GIP.~~

~~**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.~~

~~**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 Corporation or its successor organization.~~

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~~**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.~~

~~**Partial Termination** shall refer to termination of this LGIA as described in Article 2.4.4 where i) this LGIA shall be terminated under Article 2.4.4 only with respect to one or more Electric Generating Units of a Phased Generating Facility; ii) this LGIA shall continue to remain in force and effect with respect to the first Electric Generating Unit to be placed into service and any subsequent Electric Generating Units of the Phased Generating Facility that are not the subject of the Partial Termination, and iii) no disconnection shall occur with respect to the sequence or Electric Generating Units within the Phased Generating Facility that are not terminated.~~

~~**Partial Termination Charge** shall mean that sum paid by the Interconnection Customer upon Partial Termination as provided for in Article 2.4.4.~~

~~**Partial Termination Charge Security** shall mean a form of security, issued in favor of the CAISO, naming the CAISO as the beneficiary for an amount equal to the maximum Partial Termination Charge that may become payable upon Partial Termination as provided for in Article 2.4.4. The Partial Termination Charge Security shall be in a form determined to be acceptable by the CAISO, of the type listed in CAISO GIP (CAISO Tariff Appendix Y) Section 9.1 (a) – (f), but which security shall be held in favor of the CAISO. Partial Termination Charge Security is separate and distinct from the Interconnection Financial Security.~~

~~**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.

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

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~~**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.~~

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~~**Transmission Revenue Balancing Account** shall have the meaning set forth in Appendix A of the CAISO Tariff.~~

~~**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 thirty (30) years from the Effective Date 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.~~

~~**2.3.5** **Partial Termination.** The Parties have included within this LGIA a provision for Partial Termination of this LGIA, the terms of which are set forth in Article 2.4.4. Notwithstanding any other term of this LGIA, Partial Termination shall be determined to have occurred in any and all circumstances where (i) one or more sequences or Electric Generating Units for which the Interconnection~~

~~Customer has secured Partial Termination eligibility are terminated, (ii) this LGIA has not been terminated in its entirety and (iii) all sequences or Electric Generating Units have not been disconnected pursuant to Article 2.5.~~

~~**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 GIP.~~

~~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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those termination charges. 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 GIP. 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 GIP. 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 GIP.~~

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

~~(a) *Interrelationship of Abandoned Plant Approval and Termination Costs.* As the Participating TO has been granted Abandoned Plant Approval, the Interconnection Customer shall not be responsible for any termination costs for the Network Upgrades that SCE will upfront finance. The Parties acknowledge and agree that the Partial Termination Charge does not apply in situations of termination of this LGIA in its entirety, and no reduction of the Partial Termination Charge shall be made by reason of Abandoned Plant Approval.~~

~~(b) *Interrelationship of Termination of the Entire LGIA under Article 2.4 and Partial Termination under 2.4.4.* Nothing in this Article 2.4 shall limit the operation of those provisions pertaining to Partial Termination or the Partial Termination Charge contained in Article 2.4.4. In the event of Partial Termination, the provisions of Article 2.4.4 shall govern.~~

~~**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.~~

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~~**2.4.4** Partial Termination. The Parties agree that this LGIA shall provide for Partial Termination on the terms and conditions of this Article 2.4.4. This Article 2.4.4 shall apply only in the event of Partial Termination and shall not apply if this LGIA is terminated with respect to the entire Generating Facility. Partial Termination shall be deemed to have occurred, and the terms of this Article 2.4.4 shall apply in any and all situations of termination under this LGIA where the LGIA is not terminated in its entirety with the corresponding disconnection of all Electric Generating Units or sequences of the Generating Facility that are the subject of this LGIA; provided, however, that Partial Termination may occur only with respect to those Electric Generating Units for which the Interconnection Customer has previously provided Partial Termination Charge Security, such that no Partial Termination of an Electric Generating Unit may occur for which the Partial Termination right has not been secured.~~

~~**2.4.4.1** Except as set forth in Appendix A, Section 14, Table 2B, in the event of Partial Termination, the Interconnection Customer shall pay a Partial Termination Charge. The Partial Termination Charge shall be payable to the CAISO and shall be secured by the Partial Termination Charge Security. The Partial Termination Charge Security shall correspond to the Partial Termination Charge which shall be an amount equal to the product of ten percent (10%) of the dollar amount of the Interconnection Customer's cost responsibility for the Network Upgrades in the absence of Participating TO upfront funding for the entire Phased Generating Facility times (multiplied by) the ratio of the megawatt capacity of the portion of the Phased Generating Facility that is terminated to the megawatt capacity of the entire Phased Generating Facility. The following specific items related to Partial Termination are set forth in Appendix A, Section 12: the amount of the Partial Termination Charge and Partial Termination Charge Security; the timing for posting of the security, and the details for reduction of the security for Electric Generating Units that achieve Commercial Operation prior to Partial Termination.~~

~~**2.4.4.2** Partial Termination may be exercised following the delivery of the Partial Termination Charge Security for the Electric Generating Units for which the Interconnection Customer has elected to make the Partial Termination available either: (i) at the option of the Interconnection Customer, exercisable in its sole discretion; or, (ii) upon notice at the mutual discretion of the Participating TO's and the CAISO, (a) upon failure of the Interconnection Customer to achieve Commercial Operation of such Electric Generating Units within the time period specified in Appendix A, Section 12(d), or (b) upon the failure of the Interconnection Customer to meet any of the milestones set forth in Appendix A, subject to the terms and conditions of Appendix A, Section 14(d). The notice referenced in this Article 2.4.4.2 may run concurrently with any other notice provided by the Party under this LGIA (including notices pertaining to Default, or failure to meet milestones relating to decision points) and shall not provide the noticed Parties with any additional period of time for cure in such other notices.~~

~~**2.4.4.3** Upon written notice by either (i) the Interconnection Customer to the other Parties; or (ii) the Participating TO and the~~

~~CAISO to the Interconnection Customer; that the noticing Party has invoked Partial Termination, the Partial Termination Charge shall become immediately due and owing, and the CAISO shall liquidate the Partial Termination Charge Security for collection of the applicable Partial Termination Charge, and apply such Partial Termination Charge funds as specified in Section 2.4.4.5.~~

~~**2.4.4.4** Upon Partial Termination, the Parties shall amend this LGIA to remove from this LGIA the terms and conditions specifying continuing rights and obligations of the Parties with respect to the applicable Electric Generating Unit(s) of the Phased Generating Facility which have been the subject of the Partial Termination, and to specify the continuing rights and obligations of the Parties with respect to the Electric Generating Units which remain the subject of the LGIA. The amended LGIA shall reflect that the Parties have partially terminated the LGIA as to the terminated Electric Generating Unit(s), but not as to any provisions relevant to the Electric Generating Unit(s) for which Partial Termination has not been exercised. The amended LGIA shall further reflect the lower generation capacity of the Generating Facility in its new condition following Partial Termination, and, to the extent that the interconnection configuration that has been modified as a result of the Partial Termination, shall set forth the modified configuration in the amended and restated Appendices to this LGIA.~~

~~**2.4.4.5** After written notice of Partial Termination under Article 2.4.4.5, and the expiration of any opportunity to cure relating to any concurrent notices (such as notices of Default or notices relating to milestones and decision points) the CAISO shall cause the Partial Termination Charge funds to be applied and disbursed in such a manner as to cause a credit toward the Transmission Revenue Balancing Account ("TRBA") of the Participating TO. The Parties agree to cooperate and execute such agreements and undertake such actions as may be necessary to apply the funds to credit this account.~~

~~**2.4.4.6** If this LGIA is terminated in its entirety prior to any event of Partial Termination, then any Partial Termination Charge Security which was provided to the CAISO prior to the Partial Termination shall be returned to the Interconnection Customer. The Parties acknowledge that there could be a situation where the LGIA was partially terminated in one transaction, followed by a termination of the entire LGIA in a subsequent transaction, in that event, the amount of Partial Termination Charge Security associated with such previous Partial Termination shall not be returned to the Interconnection Customer.~~

~~**2.4.4.7** In the event of Partial Termination, the Partial Termination Charge and application of such charge as a credit to the Participating TO's TRBA shall serve as the recourse of the CAISO and the Participating TO for any costs associated with the Network Upgrades that are the subject of upfront financing by the Participating TO as described in this LGIA, and the Interconnection Customer shall not be responsible for payment to the CAISO or the Participating TO for any further costs, charges or expenses attributable to the Network Upgrades that the~~

~~Participating TO is obligated to finance as described in this LGIA by virtue of its commitment to provide upfront financing.~~

~~**2.5 Disconnection.** Upon termination of this LGIA in its entirety, 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 GIP.~~

~~**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. FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION~~

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~~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.~~

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~~**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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or~~

~~Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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 or Governing Independent Study Process Interconnection Study pursuant to the Generator Interconnection Facilities Study Process Agreement or other applicable 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~~

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~~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 GIP, 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 GIP 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 GIP.~~

~~**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. No as-built drawings will be provided.~~

~~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 Article 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.~~

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~~**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.~~

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~~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.~~

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~~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 GIP.~~

~~**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 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.**~~ For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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.~~

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~~**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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.

#### **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.~~

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## **~~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, which, for Interconnection Customers processed under the Section 6 of the GIP (in Queue Clusters), shall be in an amount determined pursuant to the methodology set forth in Section 6.5 of the GIP. 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 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 GIP. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the CAISO Controlled Grid 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 GIP in a manner acceptable under Section 9 of the GIP. Failure by the Interconnection Customer to timely satisfy the GIP's requirements for the provision of Interconnection Financial Security shall be deemed a Breach of this agreement and a condition of Default of this agreement.~~

~~**11.5.1** Notwithstanding any other provision in this agreement for notice of Default and opportunity to cure such Default, the CAISO or the Participating TO shall provide Interconnection Customer with written notice of any Default due to timely failure to post Financial Security, and the Interconnection Customer shall have five (5) Business Days from the date of such notice to cure such Default by posting the required Interconnection Financial Security. If the Interconnection Customer fails to cure the Default, then this Agreement shall be deemed terminated.~~

~~**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.~~

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~~**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~~



~~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 and in Article 11.5.1, 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~~

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~~**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.~~

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**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 GIP. 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 GIP 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.~~

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~~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:~~

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~~**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.~~

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**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 GIP or such Appendix to the GIP, 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.~~

~~**NextEra Desert Center Blythe, LLC**~~

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

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

~~Date: \_\_\_\_\_~~

**Southern California Edison Company**

By: \_\_\_\_\_ David L.  
Mead \_\_\_\_\_

Title: \_\_\_\_\_ Senior Vice  
President \_\_\_\_\_

Date: \_\_\_\_\_  
\_\_\_\_\_

**California Independent System Operator Corporation**

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

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

Date: \_\_\_\_\_

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## **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 an Asynchronous Generating Facility

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## **Appendix A To LGIA**

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

#### **Recitals to Appendix A**

A. \_\_\_\_\_ The Participating TO's Interconnection Facilities, Network Upgrades and Distribution Upgrades described herein are based on the Participating TO's preliminary engineering and design and are subject to modification to reflect the actual facilities that will be constructed and installed following the Participating TO's final engineering and design, identification of field conditions, and compliance with applicable environmental and permitting requirements.

B. \_\_\_\_\_ The Interconnection Customer proposed, in its Interconnection Request, dated May 24, 2007 to construct a solar thermal and photovoltaic Generating Facility with a maximum net output of 500 MW. The entire Generating Facility, known as the "Genesis McCoy Solar Project," is comprised of the (i) Genesis Station, a 250 MW solar thermal facility consisting of two (2) 125 MW Electric Generating Units, and (ii) McCoy Station, a 250 MW photovoltaic facility. For the purpose of this LGIA, the McCoy Station will be deemed to be constructed as two (2) Electric Generating Units, each consisting of approximately 125 MW. The Interconnection Request is being processed along with several other Interconnection Requests, as part of the CAISO's "Eastern Bulk System Cluster" ("Cluster").

C. \_\_\_\_\_ The Phase II Interconnection Study applicable to the Cluster determined that the Participating TO's Delivery Network Upgrades cannot be completed to meet the Full Capacity Deliverability Status requests of the Cluster until 2017. In response to this information, the CAISO, the Participating TO, and the Interconnection Customer have agreed to permit the Interconnection Customer to construct the entire Generating Facility as a Phased Generating Facility in two sequences, with the First Sequence, consisting of Electric Generating Units 1 & 2 ("First Sequence") and the Second Sequence, consisting of Electric Generating Units 3 & 4 ("Second Sequence"). The Interconnection Customer has proposed that the sequencing of the construction of the Phased Generating Facility take place in a manner that matches the construction of the anticipated transmission upgrades and the corresponding availability of transmission necessary for each sequence and to include within this LGIA provisions for Partial Termination as described in Article 2.4.4 of this LGIA. As set forth below, the First Sequence consisting of Electric Generating Units 1 & 2 of the Phased Generating Facility is scheduled to achieve Commercial Operation concurrent with the Participating TO's Reliability Network Upgrades and the Second Sequence consisting of Electric Generating Units 3 & 4 is scheduled to achieve Commercial Operation concurrent with the in-service date of Participating TO's Delivery Network Upgrades. The Interconnection Customer understands that Full Capacity Deliverability Status will be determined pursuant to applicable CAISO procedures and that such status is not assured for the First Sequence prior to completion of all the

~~facilities contemplated in this LGIA in 2017. This Appendix A describes separately the Interconnection Facilities, and Network Upgrades where applicable, for the First Sequence and the Second Sequence. Similarly, separate milestones are set forth for both the Phased Generating Facility and the transmission activities for each sequence based upon the results of the Phase II Interconnection Study.~~

## **Operative Provisions of Appendix A**

### **1. ~~Interconnection Facilities:~~**

#### **(a) ~~Interconnection Customer's Interconnection Facilities:~~ The Interconnection Customer shall:**

##### **(i) ~~First Sequence designated by Interconnection Customer as the Genesis Station:~~**

~~1. Construct a new, approximate 14 mile, 220kV generation tie-line from the Genesis Station to Participating TO's Colorado River Substation comprised of 1B-954 kemil ACSR conductor. This generation tie-line will initially be called the Colorado River Genesis 220kV Transmission Line and will later be reconfigured as described below in the Second Sequence identified as McCoy Station under Section 1(a)(ii).~~

~~2. Install optical ground wire ("OPGW") and associated underground vaults, risers, conduits, panels, and cable on the Colorado River Genesis 220kV Transmission Line to provide the telecommunication path required to support the line protection scheme and Remote Terminal Units ("RTU"), and one of the two diverse telecommunications paths required for the SPS. Interconnection Customer shall install, own, operate and maintain such telecommunications path and equipment, with the exception of the terminal equipment at Colorado River Substation, and initially at the Genesis Station (until such time as the Genesis McCoy 220kV Switchyard is constructed), which will be installed, owned, operated and maintained by the Participating TO.~~

~~3. Install new All Dielectric Self Supported ("ADSS") fiber optic cable from Participating TO's Colorado River Substation to the Genesis Station, and associated underground vaults, risers, conduits, panels and cable to terminate the ADSS, to provide the second of the two diverse telecommunications paths required for the SPS. The telecommunications equipment will be specified by the Participating TO so as to match telecommunications equipment used by the Participating TO at Colorado River Substation and at the Genesis Station. Interconnection Customer shall install, own, operate and maintain such telecommunications path and equipment, with the exception of the terminal equipment at Colorado River Substation, and initially at the Genesis Station (until such time as the Genesis McCoy 220kV Switchyard is constructed), which will be installed, owned, operated and maintained by the Participating TO. If the Interconnection Customer chooses to expedite the construction of the Genesis McCoy 220kV Switchyard as part of the initial configuration of the Genesis Station as described below in Section 1(a)(ii), this second diverse telecommunications path between Participating TO's Colorado~~

~~River Substation and the Genesis Station will still be required based on the anticipated SPS design, unless, following execution of this LGIA, the Participating TO, CAISO and Interconnection Customer mutually agree on an acceptable alternative that accomplishes the generation curtailment otherwise provided by the anticipated SPS design:~~

- ~~a. \_\_\_\_\_ Allow Participating TO to review Interconnection Customer's fiber-optic cable design and perform inspection to ensure compatibility with Participating TO's terminal equipment and protection engineering requirements for diverse path communication routing.~~
- ~~b. \_\_\_\_\_ Allow Participating TO to perform acceptance testing of fiber-optic cables and give the Participating TO the right to request and/or to perform correction of installation deficiencies as determined by the Participating TO.~~
- ~~4. \_\_\_\_\_ Make available adequate space and facilities necessary for the installation of the Participating TO's RTU to be located at the Genesis Station.~~
- ~~5. \_\_\_\_\_ Install all required CAISO approved metering equipment at the Genesis Station.~~
- ~~6. \_\_\_\_\_ Install all required revenue metering equipment (voltage and current transformers) at the Genesis Station to meter the Generating Facility retail load as specified by Participating TO.~~
- ~~7. \_\_\_\_\_ Install 220kV transmission line protection and SPS relays at the Genesis Station as specified by the Participating TO, expected to include the following:
  - ~~a. \_\_\_\_\_ one (1) GE L90 current differential relay with telecommunications channel to Colorado River Substation via the OPGW on the Colorado River-Genesis 220kV Transmission Line~~
  - ~~b. \_\_\_\_\_ one (1) SEL 311C current differential relay; no telecommunications channels required~~
  - ~~c. \_\_\_\_\_ two (2) N60 relays (one for SPS A and SPS B) to trip the generator breakers~~
  - ~~d. \_\_\_\_\_ one (1) SEL-2407 satellite synchronized clock~~~~
- ~~8. \_\_\_\_\_ Perform all required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the telecommunications between the Genesis Station and Participating TO's Colorado River Substation, and for the Participating TO's portion of the Colorado River-Genesis 220kV Transmission Line.~~

~~(ii) \_\_\_\_\_ Second Sequence designated by Interconnection Customer as the McCoy Station:~~

- ~~1. \_\_\_\_\_ Construct a new Genesis McCoy 220kV Switchyard and a new, approximate 13 mile, 220kV generation tie-line from the McCoy Station to the new Genesis McCoy 220kV Switchyard comprised of 1B-954 kemil ACSR conductor. Loop the Colorado River-Genesis 220kV Transmission Line into the Genesis McCoy 220kV Switchyard. Following completion of these Second Sequence~~

facilities, the transmission facilities of the Genesis McCoy Solar Project will be comprised of three lines, including the Genesis McCoy-Genesis Station 220kV Transmission Line, the Genesis McCoy-McCoy Station 220kV Transmission Line, and the Colorado River-Genesis McCoy 220kV Transmission Line, collectively referred to as the "Gen-Tie Lines". The Interconnection Customer may choose to expedite the construction of the Genesis McCoy 220kV Switchyard ahead of this Second Sequence as part of the initial configuration.

2. \_\_\_\_\_ Install optical ground wire ("OPGW") and associated underground vaults, risers, conduits, panels, and cable on the Genesis McCoy-McCoy Station 220kV Transmission Line to provide the telecommunication path required to support the line protection scheme and Remote Terminal Units ("RTU"), and one of the two required telecommunications paths required for the SPS. Interconnection Customer shall install, own, operate and maintain such telecommunications path and equipment, with the exception of the terminal equipment at Genesis McCoy 220kV Switchyard, which will be installed, owned, operated and maintained by the Participating TO.

3. \_\_\_\_\_ If not previously installed as part of the First Sequence, install new All Dielectric Self-Supported ("ADSS") fiber optic cable from Participating TO's Colorado River Substation to the Genesis McCoy 220kV Switchyard, and associated underground vaults, risers, conduits, panels and cable to terminate the ADSS, to provide the second of the two diverse telecommunications paths required for the SPS. The telecommunications equipment will be specified by the Participating TO so as to match telecommunications equipment used by the Participating TO at Colorado River Substation. Interconnection Customer shall install, own, operate and maintain such telecommunications path and equipment, with the exception of the terminal equipment at Colorado River Substation and the Genesis McCoy 220kV Switchyard, which will be installed, owned, operated and maintained by the Participating TO. The Interconnection Customer understands and acknowledges that curtailment of McCoy Station output will be applied at the Genesis McCoy 220kV Switchyard and not at the McCoy Station if the Interconnection Customer elects not to extend the second diverse telecommunications path from the Genesis McCoy 220kV Switchyard to the McCoy Station.

a. \_\_\_\_\_ Allow Participating TO to review Interconnection Customer's fiber-optic cable design and perform inspection to ensure compatibility with Participating TO's terminal equipment and protection engineering requirements for diverse path communication routing.

b. \_\_\_\_\_ Allow Participating TO to perform acceptance testing of fiber-optic cables and give the Participating TO the right to request and/or to perform correction of installation deficiencies as determined by the Participating TO.

4. \_\_\_\_\_ Make available adequate space and facilities necessary for the installation of the Participating TO's RTUs to be located at the McCoy Station and the Genesis McCoy 220kV Switchyard.

5. \_\_\_\_\_ Install all required CAISO approved metering equipment at the McCoy Station.

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6. \_\_\_\_\_ Install all required revenue metering equipment (voltage and current transformers) at the McCoy Station to meter the Generating Facility retail load as specified by Participating TO.
7. \_\_\_\_\_ Install 220kV transmission line protection and SPS relays at the McCoy Station as specified by the Participating TO, expected to include the following:
  - a. \_\_\_\_\_ one (1) GE L90 current differential relay with telecommunications channel to Colorado River Substation via the OPGW on the Genesis McCoy-McCoy Station 220kV Transmission Line
  - b. \_\_\_\_\_ one (1) SEL 311C current differential relay; no telecommunications channels required
  - c. \_\_\_\_\_ two (2) N60 relays (one for SPS A and one for SPS B if required) to trip the generator breakers
  - d. \_\_\_\_\_ one (1) SEL-2407 satellite-synchronized clock
8. \_\_\_\_\_ Perform all required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the telecommunications between the McCoy Station and the Genesis McCoy 220kV Switchyard, and between the Genesis McCoy 220kV Switchyard and Participating TO's Colorado River Substation.

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

- (i) \_\_\_\_\_ Colorado River-Genesis McCoy 220 kV Transmission Line (installation of the following equipment to be coordinated with the construction of Interconnection Customer's First Sequence - Genesis Station Interconnection Facilities):
  1. \_\_\_\_\_ Install one 220 kV dead-end structure, two spans of conductors and OPGW and twelve dead-end insulator / hardware assemblies between the last Interconnection Customer-owned structure on the Colorado River-Genesis 220kV Transmission Line (the Colorado River-Genesis McCoy 220kV Transmission Line following construction of the Genesis McCoy 220kV Switchyard described above in Section 1(a)(ii)1 and the substation dead-end rack at the Colorado River 220 kV switchyard.
- (ii) \_\_\_\_\_ Colorado River Substation (installation of the following equipment to be coordinated with the construction of Interconnection Customer's First Sequence-Genesis Station Interconnection Facilities):
  1. \_\_\_\_\_ Install the following facilities to terminate the new Colorado River-Genesis 220kV Transmission Line (the Colorado River-Genesis McCoy 220kV Transmission Line following construction of the Genesis McCoy 220kV Switchyard described above in Section 1(a)(ii)1 at a dedicated double-breaker position:
    - a. \_\_\_\_\_ one (1) dead-end structure (60ft. high x 50ft. wide)

b. ~~three (3) 220kV coupling capacitor voltage transformers~~

c. ~~one (1) GE L90 current differential relay with telecommunications channel to the Generating Facility via the OPGW on the Gen-Tie Lines~~

d. ~~one (1) SEL 311C current differential relay. No telecommunication channels required~~

2. ~~Telecommunications- Install all required light-wave, channel and related terminal equipment to support the Genesis McCoy Solar Project Gen-Tie Lines protection, SPS, SCADA, and Participating TO's applicable voice and data requirements.~~

~~(iii) Genesis McCoy 220kV Switchyard (installation of the following equipment to be coordinated with the construction of Interconnection Customer's Second Sequence McCoy Station Interconnection Facilities or with the First Sequence Genesis Station if the Interconnection Customer chooses to expedite this switchyard):~~

1. ~~Power System Control- Install one (1) RTU at the Interconnection Customer-owned Genesis McCoy 220kV Switchyard to transmit circuit breaker status and project net MW and MVAR. Notwithstanding that the RTU will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.~~

2. ~~Telecommunications- Install all required light-wave, channel and related terminal equipment to support the Genesis McCoy Solar Project Gen-Tie Lines protection and SPS. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

~~(iv) Genesis McCoy Solar Project:~~

1. ~~Installation of the following equipment to be coordinated with the construction of Interconnection Customer's Interconnection Facilities for the First Sequence Genesis Station:~~

a. ~~Power System Control- Install one (1) RTU at Genesis Station to transmit generator unit gross MW and MVAR, plant auxiliary load, generator status, generator circuit breaker status, generator terminal voltage, and project net MW and MVAR. Notwithstanding that the RTUs will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTUs as part of the Participating TO's Interconnection Facilities.~~

b. ~~Metering Services- Install a metering cabinet and revenue meters at Genesis Station required to meter the retail load at the Generating Facility. Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO~~

~~shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities.~~

~~c. Telecommunications- Install all required light wave, channel and related terminal equipment to support the Colorado River-Genesis 220kV Transmission Line protection and SPS. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities. Such terminal equipment will be removed from the Genesis Station concurrent with the installation of Participating TO's required channel and terminal equipment at the Genesis McCoy 220kV Switchyard.~~

~~2. Installation of the following equipment to be coordinated with the construction of Interconnection Customer's Second Sequence-McCoy Station:~~

~~a. Power System Control- Install one (1) RTU at the McCoy Station to transmit generator unit gross MW and MVAR, plant auxiliary load, generator status, generator circuit breaker status, generator terminal voltage, and project net MW and MVAR. Notwithstanding that the RTUs will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTUs as part of the Participating TO's Interconnection Facilities.~~

~~b. Metering Services- Install a metering cabinet and revenue meters at the McCoy Station required to meter the retail load at the Generating Facility. Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities.~~

~~(v) Real Properties, Transmission Project Licensing, and Environmental Health and Safety:~~

~~1. Perform any required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform any required environmental activities in addition to those performed by the Interconnection Customer pursuant to Appendix C Section 3(f) of this LGIA, for the Participating TO's portion of the Colorado River-Genesis McCoy 220 kV Transmission Line (initially the Colorado River-Genesis 220kV Transmission Line).~~

~~2. Network Upgrades:~~

~~(a) Stand Alone Network Upgrades: None.~~

~~(b) Other Network Upgrades:~~

~~(i) Participating TO's Reliability Network Upgrades: The Participating TO shall:~~

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1. ~~Terminate the Colorado River-Genesis McCoy 220kV Transmission Line (initially the Colorado River-Genesis 220kV Transmission Line) at Colorado River Substation:~~
  - a. ~~Colorado River Substation~~
    - i. ~~Install the following equipment for a dedicated 220kV double breaker line position on a breaker-and-a-half configuration to terminate the Colorado River-Genesis McCoy 220kV Transmission Line:~~
      1. ~~two (2) 220kV 3000A – 50kA circuit breakers~~
      2. ~~four (4) 220kV 3000A – 80kA horizontal-mounted group operated disconnect switches~~
      3. ~~one (1) grounding switch attachment~~
      4. ~~eighteen (18) 220kV bus supports with associated steel pedestals~~
      5. ~~2B-1590 kcmil ACSR conductors~~
    - ii. ~~Power System Control – Expand the RTU at Colorado River Substation to install additional points required for the Colorado River-Genesis McCoy 220kV Line~~
      2. ~~Loop the Colorado River-Devers No.2 500kV Transmission Line into Red Bluff Substation:~~
        - a. ~~Colorado River-Devers No.2 500kV Transmission Line – Loop the line into Red Bluff Substation to form the new Devers-Red Bluff No. 2 and Colorado River-Red Bluff No. 2 500kV Transmission Lines. This work requires the following:~~
          - i. ~~install approximately one circuit mile of 2B-2156 kcmil ACSR conductors and OPGW~~
          - ii. ~~install four (4) dead-end 500kV lattice steel structures~~
          - iii. ~~install thirty (30) insulator/hardware assemblies~~
        - b. ~~Red Bluff 500/220kV Substation~~
          - i. ~~Install two (2) new double breaker line positions within the 500kV Switchyard to terminate the new Colorado River No.2 and Devers No.2 500kV Transmission Lines~~
          - ii. ~~Install the following protection relays in the control room~~
            1. ~~four (4) GE C60 breaker management relays~~
            2. ~~two (2) GE D60 distance relays (digital communication channel)~~
            3. ~~two (2) GE L90 current differential relay (digital communication channel)~~
            4. ~~two (2) SEL-421 current differential relay with RFL 9780 on Power Line Carrier Current (“PLCC”)~~

5. two (2) additional RFL 9780 direct transfer trip on PLCC
6. two (2) RFL 9745 direct transfer trip on PLCC
3. Colorado River Substation Expansion—No. 1 AA-Bank: Expand the substation, presently configured as a 500kV switchyard, to a 1120MVA 500/220kV substation by installing one 1120MVA, 500/220kV transformer bank with corresponding 500kV and 220kV bank positions and installing a new 220kV switchyard.
  - a. 500kV Switchyard-Position 3 – Install the following equipment for a double-breaker bank position on a breaker-and-a-half configuration to connect the No. 1AA 500/220kV transformer bank:
    - i. one (1) 108 ft. high by 90 ft. wide dead-end structure
    - ii. two (2) 500kV-4000A-50kA circuit breakers
    - iii. four (4) 500kV horizontal-mounted group-operated disconnect switches, one of them equipped with grounding attachments
    - iv. fifteen (15) 500kV bus supports
    - v. 2B-1590 kemil ACSR conductors
  - b. 500kV Switchyard-500/220kV Transformer Bank— Install one (1) 1120MVA, 500/220kV transformer bank to include the following:
    - i. four (4) 373MVA, 500/220kV single-phase units, including one spare unit
    - ii. three (3) 500kV surge arresters
    - iii. three (3) 220kV surge arresters
    - iv. one (1) standard seven-position transformer structure with all the required 500kV and 220kV bus-work to allow for the grounded wye/delta connection of the single-phase units and placement of the spare unit
    - v. one (1) 13.8kV tertiary bus equipped as follows:
      1. five (5) 13.8kV, 2000A-17kA circuit breakers
      2. fifteen (15) 13.8kV hook-stick disconnect switches
      3. five (5) 13.8 kV 45MVAR reactors
      4. one (1) ground bank detector (3-5MVA, 14400-120/240v transformers)
      5. one (1) 14400-120V voltmeter potential transformer
      6. one (1) voltmeter
      7. three (3) 40E standard size 4 S&C type fuses
  - vi. approximately 700 circuit ft. of 2B-1590 kemil ACSR conductors for the 500kV and 220kV transformer leads
- c. 220kV Switchyard Operating Buses— Install the following equipment required for a new 220kV switchyard:

- i. six (6) 60 ft. high x 90 ft. wide bus dead-end structures
  - ii. twenty-four (24) bus dead-end insulator assemblies
  - iii. six (6) 220kV potential devices
  - iv. approximately 920 circuit ft. of 2B-1590 kemil ACSR bus conductors
  - d. 220kV Switchyard-Position 5 — Install the following equipment for a double breaker bank position on a breaker-and-a-half configuration to connect the No.1AA 500/220kV transformer bank:
    - i. one (1) 80 ft. high by 50 ft. wide dead-end structure
    - ii. two (2) 220kV 3000A-50kA circuit breakers
    - iii. four (4) 220kV 3000A-80kA horizontal-mounted group-operated disconnect switches
    - iv. one (1) grounding switch attachment
    - v. eighteen 220kV bus supports with associated steel pedestals
    - vi. 2B-1590 kemil ACSR conductors
    - e. Control Room — Install the following protection relays for the 500/220kV transformer banks:
      - i. four (4) GE C60 breaker management relays
      - ii. one (1) GE T60 bank differential relay
      - iii. one (1) SEL-387 bank differential relay
      - iv. four (4) GE C30 sudden pressure aux relay
      - v. five (5) GE F60 reactor bank relays (one per reactor)
      - vi. two (2) SEL-351 ground detector bank relay
      - vii. twelve (12) GE SBD11B 220kV bus differential relays
  - 4. Upgrade the Mira Loma-Vista No.2 220kV Transmission Line drops at Vista Substation
    - a. Vista Substation — replace the 2B-1033 kemil ACSR conductors (N-2 rating of 3,150A) on the Mira Loma No. 2 220kV line position at Vista Substation with new 2B-1590 kemil ACSR conductors (N-2 rating of 4,100A)
  - 5. New SPS to trip up to 1,400 MW of generation under the Devers-Red Bluff No. 1 and No. 2 double contingency
    - a. Devers Substation
      - i. install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring
      - ii. install one (1) SEL-2407 satellite synchronized clock
      - iii. Telecommunications—install two (2) channel banks (one each for SPS A and SPS B) to support the SPS
-

- iv. ~~Power Systems Control—expand the RTU at Devers to install additional points required to support the SPS~~
  - b. ~~Red Bluff Substation~~
    - i. ~~install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring~~
    - ii. ~~install one (1) SEL-2407 satellite synchronized clock~~
  - iii. ~~Power Systems Control—expand the RTU at Red Bluff to install additional points required to support the SPS~~
    - c. ~~Colorado River Substation~~
      - i. ~~install four (4) N60 relays (two each for SPS A and SPS B) for logic central processing and sending of tripping signals to generators~~
      - ii. ~~install one (1) SEL-2407 satellite synchronized clock~~
    - iii. ~~install dual RTUs for SPS arming, control, status and alarm indications at Colorado River Substation~~
- 6. ~~New SPS to trip up to 500 MW of generation connected to Colorado River Substation under either No. 1 AA or No. 2 AA transformer bank single contingency~~
  - a. ~~Colorado River Substation~~
    - i. ~~install four (4) N60 relays (two each for SPS A and SPS B) for banks monitoring~~
    - b. ~~Red Bluff Substation~~
      - i. ~~Power Systems Control—expand the RTU at Red Bluff to install additional points required to support the SPS~~
      - c. ~~Devers Substation~~
        - i. ~~Power Systems Control—expand the RTU at Devers to install additional points required to support the SPS~~

(ii) ~~Participating TO's Delivery Network~~

~~Upgrades:~~ The Participating TO shall:

- 1. ~~West of Devers Upgrades~~
    - a. ~~Upgrade the following 220kV transmission lines by rebuilding the following transmission lines with new 2B-1590 kcmil ACSR conductors per phase supported on two sets of double-circuit tower structures and replacing all substations' terminal equipment with 3,000A rated elements:~~
      - i. ~~Devers — San Bernardino No.1 220kV Transmission Line — 43 circuit miles~~
      - ii. ~~Devers — San Bernardino No.2 220kV Transmission Line — 43 circuit miles~~
      - iii. ~~Devers — Vista No.1 220kV Transmission Line — 45 circuit miles~~
      - iv. ~~Devers — Vista No.2 220kV Transmission Line — 45 circuit miles~~
-

v. ~~Devers Substation: Upgrade four 220kV line positions~~

vi. ~~San Bernardino G.S.: Upgrade two 220kV line positions~~

vii. ~~Vista Substation: Upgrade two 220kV line positions~~

~~Prior to this upgrade the Devers-San Bernardino No. 2 220kV Transmission Line will be looped into the new El Casco Substation forming the two new Devers-El Casco and El Casco-San Bernardino 220kV Transmission Lines. After such line re-configuration, the Devers—San Bernardino No.1 220kV Transmission Line will be re-named Devers—San Bernardino 220kV Transmission Line. The Devers and San Bernardino 220kV line positions at the new El Casco Substation will be rated 3,000A and would not require any upgrades.~~

~~2. Colorado River Substation Expansion—No. 2AA Bank—Increase the 500/220kV station capacity from 1120MVA to 2240MVA by installing an additional No. 2AA 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions as follows:~~

~~a. 500kV Switchyard, Position 5—Install the following equipment on the double breaker line position to expand to a breaker-and-a-half line/bank position as required to connect the No. 2AA transformer bank~~

~~i. one (1) 108 ft. high x 90 ft. wide dead-end structure~~

~~ii. one (1) 500kV 4000A-50kA circuit breaker~~

~~iii. two (2) 500kV 4000A-80kA horizontal-mounted group-operated disconnect switches~~

~~iv. one (1) grounding switch attachment~~

~~v. remove twelve (12) 500kV bus supports and corresponding steel pedestals and foundations~~

~~b. 500 kV Switchyard-500kV/220kV Transformer Bank—Install one 1120MVA 500/220kV transformer bank as follows:~~

~~i. three (3) 373MVA, 500/220kV single-phase transformers~~

~~ii. three (3) 500kV surge arresters~~

~~iii. three (2) 220kV surge arresters~~

~~iv. one (1) 13.8kV tertiary bus equipped as follows:~~

~~1. five (5) 13.8kV,2000A-17kA circuit breakers~~

~~2. fifteen (15) 13.8kV hook-stick disconnect switches~~

~~3. five (5) 13.8 kV, 45MVAR reactors~~

~~4. one (1) ground bank detector (3-5MVA, 14400-120/240v transformers)~~

~~5. one (1) 14400-120V voltmeter potential transformer~~

~~6. one (1) voltmeter~~

- 7. \_\_\_\_\_ three (3) 40E standard size 4 S&C type fuses
- v. \_\_\_\_\_ approximately 700 circuit ft. of 2B-1590 kemil ACSR conductors for the 500kV and 220kV transformer leads
- c. \_\_\_\_\_ 220kV Switchyard, Position 7 — Install the following equipment for a double breaker bank position on a breaker-and-a-half configuration to connect the No. 2AA 500/220kV transformer bank:
  - i. \_\_\_\_\_ one (1) 80 ft. high by 50 ft. wide dead-end structure
  - ii. \_\_\_\_\_ two (2) 220kV, 3000A-50kA circuit breakers
  - iii. \_\_\_\_\_ four (4) 220kV, 3000A-80kA horizontal-mounted group-operated disconnect switches
  - iv. \_\_\_\_\_ one (1) grounding switch attachment
  - v. \_\_\_\_\_ eighteen 220kV bus supports with associated steel pedestals
  - vi. \_\_\_\_\_ 2B-1590 kemil ACSR conductors
  - d. \_\_\_\_\_ Control Room — Install the following protection relays for the 500/220kV transformer banks:
    - i. \_\_\_\_\_ four (4) GE C60 breaker management relays
    - ii. \_\_\_\_\_ one (1) GE T60 bank differential relay
    - iii. \_\_\_\_\_ one (1) SEL-387 bank differential relay
    - iv. \_\_\_\_\_ three (3) GE C30 sudden pressure aux relay
    - v. \_\_\_\_\_ five (5) GE F60 reactor bank relays (one per reactor)
    - vi. \_\_\_\_\_ two (2) SEL-351 ground detector bank relay
    - vii. \_\_\_\_\_ twelve (12) GE SBD11B 220kV bus differential relays

3. \_\_\_\_\_ Real Properties, Transmission Project Licensing, and Environmental Health and Safety:

- a. \_\_\_\_\_ Perform all required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the Participating TO's Delivery Network Upgrades.

**3. \_\_\_\_\_ Distribution Upgrades: None**

**4. \_\_\_\_\_ Licensing Assessment:** The Participating TO shall:

- (a) \_\_\_\_\_ Perform a Licensing Assessment including, but not limited to, preliminary preparation and review of the following elements:
    - (i) \_\_\_\_\_ environmental studies, land rights studies, and topographic studies as necessary
-

- ~~(ii) \_\_\_\_\_ geotechnical, hydrological, grading, and other site development items as necessary~~
- ~~(iii) \_\_\_\_\_ structural plans including equipment foundations, structural steel supports, and control room layouts as necessary~~
- ~~(iv) \_\_\_\_\_ electrical plans including disconnect switches, busses, relay racks and power circuits as necessary~~
- ~~(v) \_\_\_\_\_ line reactor plans including engineering design, placement and configuration as necessary~~
- ~~(vi) \_\_\_\_\_ transmission plans including relocation of structures and rerouting of 220kV lines as necessary~~
- ~~(vii) \_\_\_\_\_ telecommunications plans including rerouting optical fiber around line reactors, mechanical electrical equipment room connections, switches and hubs as necessary~~
- ~~(viii) \_\_\_\_\_ SPS plans including protection, relays, telecommunications, and associated equipment as necessary~~
- ~~(ix) \_\_\_\_\_ subtransmission plans including rerouting of existing 115kV lines and impacts to other projects as necessary~~
- ~~(b) \_\_\_\_\_ Seek CPUC concurrence with Participating TO's assessment of the permitting and licensing requirements based on the results of the Licensing Assessment~~

~~Based on the results of the Licensing Assessment, the Parties may elect to proceed with engineering, design, procurement and construction of the west of Devers Substation interim upgrades pursuant to the terms and conditions of a separate letter agreement or an amendment to this LGIA.~~

#### ~~5. \_\_\_\_\_ **Point of Change of Ownership:**~~

- ~~(a) \_\_\_\_\_ Prior to construction of the Genesis McCoy 220kV Switchyard:
  - ~~(i) \_\_\_\_\_ Colorado River-Genesis 220 kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the Colorado River-Genesis 220kV Transmission Line are attached to the first structure located directly outside the Colorado River Substation property line. This will be the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, including the jumper loop. The Participating TO shall own and maintain the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure, and all structures and conductors from that point into the Colorado River Substation.~~
  - ~~(ii) \_\_\_\_\_ Telecommunication OPGW: The Point of Change of Ownership shall be the point where the OPGW of the Colorado River-Genesis 220 kV Transmission Line is attached to the first structure located directly outside the Colorado River Substation property line.~~
  - ~~(iii) \_\_\_\_\_ Telecommunication ADSS: The Point of Change of Ownership shall be the point where the ADSS from the Genesis Station is attached to the first structure located directly outside the Colorado River Substation~~~~

~~property line. The Interconnection Customer shall own and maintain said structure. The Participating TO shall own and maintain all structures and cable from that point into the Colorado River Substation.~~

~~(b) \_\_\_\_\_ Following construction of the Genesis McCoy 220kV Switchyard:~~

~~(i) \_\_\_\_\_ Colorado River-Genesis McCoy 220 kV Transmission Line: The Point of Change of Ownership shall be the point where the conductors of the Colorado River-Genesis McCoy 220kV Transmission Line are attached to the first structure located directly outside the Colorado River Substation property line. This will be the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, including the jumper loop. The Participating TO shall own and maintain the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure, and all structures and conductors from that point into the Colorado River Substation.~~

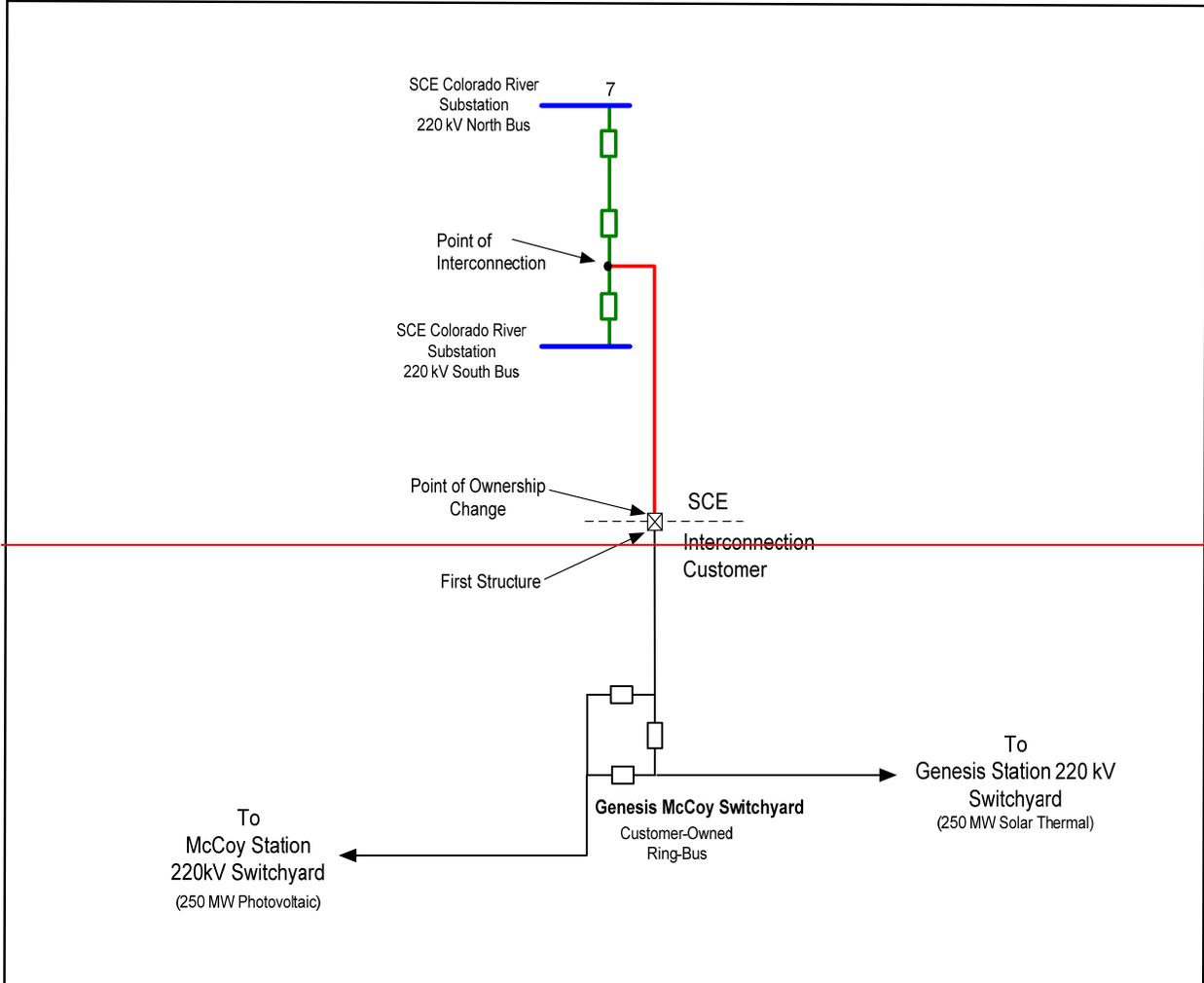
~~(ii) \_\_\_\_\_ Telecommunication OPGW: The Point of Change of Ownership shall be the point where the OPGW of the Colorado River-Genesis McCoy 220 kV Transmission Line is attached to the first structure located directly outside the Colorado River Substation property line.~~

~~(iii) \_\_\_\_\_ Telecommunication ADSS: The Point of Change of Ownership shall be the point where the ADSS from the Genesis Station and the ADSS from the McCoy Station are attached to the first structure located directly outside the Colorado River Substation property line. The Interconnection Customer shall own and maintain said structure. The Participating TO shall own and maintain all structures and cable from that point into the Colorado River Substation.~~

~~**6. \_\_\_\_\_ Point of Interconnection:** The Participating TO's bus bar at the Colorado River Substation, which is the 220kV bus.~~

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**7. One-Line Diagram of Interconnection to Colorado River Substation:**



	Project Name:	SCE Project #:	Project Description:	Engineer(s)	Phase 2 Rev#	Date
	Genesis McCoy Solar Project		Genesis McCoy Solar Project 500 MW CAPACITY	Samaan	1	08-09-2011

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

(a) **Accounting Practice:** Generally Accepted Accounting Principles in the United States consistently applied to electric utility operations.

~~(b) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities ; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(c) Colorado River Substation: Participating TO's proposed 500/220kV substation near Blythe, California to which the Devers-Pale Verde 500kV Transmission Line will be looped-in and which will be the eastern terminus of Participating TO's proposed Colorado River Red Bluff No. 2 500kV line.~~

~~(d) Construction Activities: Actions by the 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.~~

~~(e) CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~(f) Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(g) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 17 of this Appendix A.~~

~~(h) Delivery Network Upgrades Cost: The Interconnection Customer's share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction~~

and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 16 of this Appendix A.

(i) ~~\_\_\_\_\_~~ Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 18 of this Appendix A.

(j) ~~\_\_\_\_\_~~ Distribution Upgrades Cost: All costs, excluding ITCC and One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 16 of this Appendix A.

(k) ~~\_\_\_\_\_~~ Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and the associated One-Time Cost. The Distribution Upgrades Payment is provided in Section 18 of this Appendix A.

(l) ~~\_\_\_\_\_~~ Genesis McCoy 220kV Switchyard: Interconnection Customer's 220kV switchyard to be located near Blythe, California in close proximity to the Colorado River Substation. The Genesis McCoy 220kV Switchyard will be configured in a ring bus and will connect the Genesis Station and the McCoy Station to the Colorado River Substation.

(m) ~~\_\_\_\_\_~~ Genesis Station: Interconnection Customer's 250 MW solar thermal generating facility located near Desert Center, California. The Genesis Station is proposed to be the first of two sequences that comprise the Genesis McCoy Solar Project, a Phased Generating Facility.

(n) ~~\_\_\_\_\_~~ Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 17 of this Appendix A.

(o) ~~\_\_\_\_\_~~ Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities for the applicable First Sequence or Second Sequence is complete and such facilities are successfully tested and ready for service.

(p) ~~\_\_\_\_\_~~ Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 16 of this Appendix A.

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~~(q) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 18 of this Appendix A.~~

~~(r) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Section 11 of this Appendix A and is shown in Section 16 and Section 18 of this Appendix A.~~

~~(s) Letter Agreements: The agreements between Participating TO and Interconnection Customer executed on i) April 28, 2010 under which Participating TO performed the Colorado River Substation expansion siting study, designated as Service Agreement No. 82 under Participating TO's FERC Electric Tariff, Volume 6; and ii) September 8, 2010 under which Participating TO performed expedited engineering, design, and procurement activities related to the Participating TO's Interconnection Facilities and Participating TO's Reliability Network Upgrades, designated as Service Agreement No. 88 under Participating TO's FERC Electric Tariff, Volume No. 6.~~

~~(t) Licensing Assessment: A preliminary analysis performed by the Participating TO at the request of the Interconnection Customer to determine the permitting and CPUC licensing requirements, if any, for a proposed interim upgrade west of Participating TO's Devers Substation that would provide the Genesis McCoy Solar Project a certain amount of Full Capacity Deliverability Status until such time as the Participating TO's Deliverability Network Upgrades can be constructed and placed in service.~~

~~(u) Licensing Assessment Cost: Interconnection Customer's share, as ultimately determined by Participating TO by the number of projects requesting the Licensing Assessment, of all costs determined by the Participating TO to be associated with the work performed to complete the Licensing Assessment. The Licensing Assessment Cost is provided in Section 16 of this Appendix A. The Licensing Assessment Cost is not capitalized and is not subject to ITCC.~~

~~(v) Licensing Assessment Payment: Interconnection Customer's payment for the Licensing Assessment Cost. The Licensing Assessment Payment is provided in Section 18 of this Appendix A.~~

~~(w) McCoy Station: Interconnection Customer's 250 MW photovoltaic generating facility located near Blythe, California. The McCoy Station is proposed to be the second of two sequences that comprise the Genesis McCoy Solar Project, a Phased Generating Facility.~~

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~~(x) One-Time Cost: All costs determined by the Participating TO associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.~~

~~(y) Reliability Network Upgrades Cost: The Interconnection Customer's share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 16 of this Appendix A.~~

~~(z) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 18 of this Appendix A.~~

~~(aa) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, or any portion thereof which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(bb) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(cc) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**9. Transmission Credits:**~~

~~No Congestion Revenue Rights or repayment will be made pursuant to Articles 11.4 and 11.4.1 of the LGIA for the Network Upgrades that are up-front financed by the Participating TO, unless financing for such Network Upgrades is later provided by the Interconnection Customer under Section 14(d) of this Appendix A.~~

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

~~(a) Distribution Upgrades: Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$0 to cover the costs for constructing, procuring and installing the Participating TO's Distribution Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

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~~(b) \_\_\_\_\_ Participating TO's Interconnection Facilities: Pursuant to Section 9 of the GIP, Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide a total Credit Support in the amount of \$977,700 for the second posting and \$3,394,000 for the third posting to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~(c) \_\_\_\_\_ Network Upgrades: The Participating TO has received Abandoned Plant Approval, pursuant to the FERC order issued in *Southern California Edison Co.*, 134 FERC ¶ 61,181 (2011), and has committed to finance all Network Upgrades for the Cluster subject to Appendix A, Section 14(d), Table 1 of this LGIA. As the Participating TO has received Abandoned Plant Approval, the Interconnection Financial Security second and third postings are waived pursuant to the FERC Order Granting Waiver of Tariff Provisions in Docket No. ER10-1656-000, issued August 13, 2010 for such time as the Participating TO is responsible for financing the costs of such Network Upgrades under this LGIA. To the extent the Interconnection Customer has provided Credit Support related to the Network Upgrades prior to a determination of Abandoned Plant Approval, such Credit Support shall be released within thirty (30) Calendar Days following the Effective Date.~~

~~(d) \_\_\_\_\_ Participating TO's ability to draw on the Credit Support shall be governed by GIP Section 9.4 and Article 2.4 of this LGIA.~~

~~**11. \_\_\_\_\_ Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

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

~~Estimated tax liability for Distribution Upgrades = 35% \* Distribution Upgrades Cost = 35% \* (\$0) = \$0~~

~~Estimated tax liability for Participating TO's Interconnection Facilities = 35% \* Interconnection Facilities Cost = 35% \* \$3,394,000 = \$1,187,900~~

~~Interconnection Facilities Cost = \$3,394,000  
Distribution Upgrades Cost = \$0~~

~~Based upon the total estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$1,187,900 pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

~~**12. \_\_\_\_\_ Treatment of Partial Termination Charge Security:**~~

~~(a) **Amount:** The amount of the Partial Termination Charge Security shall equal \$3,491,575 for each 125 MW Electric Generating Unit that the Interconnection Customer elects to be eligible for Partial Termination. With respect to the Phased Generating Facility, Interconnection Customer shall be entitled (upon providing the Partial Termination Charge Security to the CAISO) to secure Partial Termination rights with respect to Electric Generating Units 2, 3 and/or 4, which, if the Interconnection Customer secures Partial Termination rights to all three (3) Electric Generating Units comprising 375 MW, would result in a maximum Partial Termination Charge Security of \$10,474,725. The Interconnection Customer shall make its election and designation of the Electric Generating Unit(s) to be eligible for Partial Termination at the time of the Partial Termination Charge Security posting. The Parties acknowledge that Partial Termination shall not be available for Electric Generating Unit 1, and agree that Electric Generating Unit 1 shall not be the subject of a Partial Termination pursuant to this LGIA.~~

~~(b) **Timing for Posting of Partial Termination Charge Security:** The entire amount of the Partial Termination Charge Security for all Electric Generating Units for which the Interconnection Customer elects to secure eligibility for Partial Termination shall be posted no later than thirty (30) Calendar Days following the Effective Date. In the event that the Interconnection Customer fails to timely post the Partial Termination Charge Security, then, as specified in Article 2.4.4, the provisions of this LGIA permitting Partial Termination shall not be operative and termination of this LGIA may only occur with respect to the entire Generating Facility.~~

~~(c) **Reduction of Partial Termination Charge Security for Electric Generating Units that Achieve Commercial Operation Prior to Termination:** Within fifteen (15) Calendar Days following Commercial Operation of each 125 MW Electric Generating Unit for which Partial Termination has been secured but not exercised, the Partial Termination Charge Security shall be reduced by the amount of \$3,491,575. If the Interconnection Customer posts security in the form of a cash deposit, such cash funds shall be released and/or returned to the Interconnection Customer. If the Interconnection Customer posts another form of financial security of the type specified in CAISO GIP (CAISO Tariff Appendix Y) Section 9.1, the Parties shall cooperate and execute such necessary documents as to accomplish a replacement security in the lower amount or take other action necessary to accomplish the reduction in Partial Termination Charge Security.~~

~~(d) **Liquidation of Partial Termination Charge Security for Failure to Achieve Commercial Operation:** If the Interconnection Customer has not achieved Commercial Operation of Electric Generating Units 2, 3 and/or 4 by the later of (i) eighty-four (84) months from the execution date of this LGIA or (ii) the in-service date of the Network Upgrades necessary to provide the entire Generating Facility with full deliverability (the "Outside Date"), the Participating TO shall have the right to (a) upon the mutual determination of the CAISO and the Participating TO that an event of Partial Termination has occurred and notice of the same is given as provided for in Article 2.4.4.2, request that the CAISO liquidate the Partial Termination Charge Security applicable to the Electric Generating Units that have not achieved Commercial Operation by the Outside Date, and (b) terminate this LGIA solely with respect to the Electric Generating Units that have~~

not achieved Commercial Operation by the Outside Date, and apply the proceeds of the Partial Termination Charge as provided for in Article 2.4.4.5.

~~(e) \_\_\_\_\_ **Liquidation of Partial Termination Charge Security upon Partial Termination by the Interconnection Customer:** In the event that the Interconnection Customer exercises its Partial Termination rights pursuant to Article 2.4.4 of this LGIA, (a) the CAISO shall liquidate the Partial Termination Charge Security applicable to the Electric Generating Units that are subject to the Partial Termination and apply the proceeds of the Partial Termination Charge as provided for in Article 2.4.4.5, and (b) this LGIA shall be terminated solely with respect to the Electric Generating Units for which Partial Termination has been exercised.~~

~~(f) \_\_\_\_\_ **Liquidation of the Partial Termination Charge Security upon Default for Failure to Meet a Milestone:** In the event the Interconnection Customer fails to cure a Breach of any one of the milestones specified in Table 1 under Section 14(d) below and the Participating TO declares a Default under Article 17 of this LGIA, the Participating TO shall have the right to (a) upon mutual determination of the CAISO and the Participating TO that an event of Partial Termination has occurred and notice of the same is given as provided for in Article 2.4.4.2, request that the CAISO liquidate the Partial Termination Charge Security applicable to the Electric Generating Units that have not achieved Commercial Operation, and (b) terminate this LGIA solely with respect to the Electric Generating Units that have not achieved Commercial Operation, and apply the proceeds of the Partial Termination Charge as provided for in Article 2.4.4.5.~~

~~**13. \_\_\_\_\_ **Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.**~~

~~**14. \_\_\_\_\_ **Charges:****~~

~~(a) \_\_\_\_\_ The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment, if applicable; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment, if applicable; (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Section 15(g) of this Appendix A; (viii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 15(f) of this~~

~~Appendix A; (ix) termination charges pursuant to Article 2.4 of the LGIA, provided that such charges shall not be applicable to the extent the costs associated with termination of the LGIA are subject to Abandoned Plant Approval received by the Participating TO; (x) disconnection costs pursuant to Article 2.5 of the LGIA; (xi) suspension costs pursuant to Article 5.16 of the LGIA; and (xii) Licensing Assessment Payment.~~

~~(b) \_\_\_\_\_ The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost, Removal Cost, and Licensing Assessment Cost shall be compiled in accordance with Accounting Practice.~~

~~(c) \_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to a need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time, and shall be subject to FERC's approval.~~

~~(d) \_\_\_\_\_ The Participating TO commits to up-front finance the cost of the Network Upgrades including the associated One-Time Cost specifically identified in Section 2 of this Appendix A to the LGIA, contingent upon the continued achievement of the Milestones and Decisions Points, as described in Table 1 below, by the Interconnection Customer, as such Milestones and Decision Points may be adjusted pursuant to Option 2 of Table 2B below or a suspension pursuant to Article 5.16 of this LGIA.~~

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**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

The milestones in this Table 1 and in Appendix B, Section 2 reflect that the Interconnection Customer has designated Genesis Station as the First Sequence and McCoy Station as the Second Sequence. The Parties agree that the Interconnection Customer may re-designate McCoy Station as the First Sequence and Genesis Station as the Second Sequence subject to the Interconnection Customer providing written notice of such re-designation to the CAISO and the Participating TO by no later than February 1, 2012. Following such re-designation, the Partial Termination Charge Security would remain applicable to Electric Generating Unit 2 of the First Sequence and Electric Generating Units 3 & 4 of the Second Sequence.

**Group 1 Milestones and Decision Point #1 for the First Sequence-Genesis Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO commences final design and engineering of Participating TO's Interconnection Facilities for the First Sequence-Genesis Station and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures final Site Exclusivity as defined in the GIP for the Genesis Station.</li> <li>Interconnection Customer has provided Interconnection Financial Security in accordance with Section 9 of the GIP (CAISO Tariff Appendix Y) and applicable FERC orders.</li> </ul>

**DECISION POINT #1:** Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.

**Group 2 Milestones and Decision Point #2 for the First Sequence-Genesis Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
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<ul style="list-style-type: none"> <li>Participating TO secures all required permits, licenses, and property rights for the Participating TO's Interconnection Facilities for the First Sequence-Genesis Station and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures all permits, licenses, and Site Exclusivity required for the construction of the First Sequence-Genesis Station and Interconnection Customer's Interconnection Facilities for the Genesis Station.</li> </ul>
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~~DECISION POINT #2: Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 3 Milestones and Decision Point #3 for the First Sequence-Genesis Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO completes final design and engineering for the Participating TO's Interconnection Facilities for the First Sequence-Genesis Station and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor for the First Sequence-Genesis Station. If the Interconnection Customer elects to self-build the project, an engineering services firm will be engaged and contracts for procurement of long lead/major equipment for one Electric Generating Unit of the First Sequence-Genesis Station will be executed.</li> <li>Interconnection Customer secures 100% of financing, or its board approval if financing is carried on Interconnection Customer's balance sheet, to construct at least one Electric Generating Unit of the First Sequence-Genesis Station and the Interconnection Customer's Interconnection Facilities for the Genesis Station.</li> </ul> <p>Note: If Interconnection Customer has elected Partial Termination of Electric Generating Unit 2 of the First Sequence-Genesis Station, then the Participating TO</p>

	shall have the right, at its sole discretion, not to commence any Construction Activities for any Participating TO's Delivery Network Upgrades required solely for Electric Generating Unit 2 of the First Sequence-Genesis Station.
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~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 4 Milestones and Decision Point #4 for the First Sequence-Genesis Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO commences Construction Activities of the Participating TO's Reliability Network Upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer commences construction of at least one Electric Generating Unit of the First Sequence-Genesis Station and the Interconnection Customer's Interconnection Facilities for the Genesis Station.</li> </ul>

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within thirty (30) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 5 Milestones and Decision Point #5 for the First Sequence-Genesis Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Reliability Network Upgrades, enabling Commercial Operation of the Phased Generating Facility (Participating TO shall inform the Interconnection Customer at least ninety (90) Calendar Days prior to such</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer achieves Initial Synchronization Date for at least one Electric Generating Unit of the First Sequence-Genesis Station.</li> <li>Interconnection Customer commences</li> </ul>

<del>energization date whether the Participating TO's Reliability Network Upgrades will be completed as estimated by the Participating TO).</del>	<del>generating electricity for sale, excluding electricity generated during Trial Operation, of at least one Electric Generating Unit of the First Sequence Genesis Station.</del>
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~~DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within one hundred fifty (150) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 1 Milestones and Decision Point #1 for the Second Sequence-McCoy Station**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li><del>Participating TO commences final design and engineering of the Participating TO's Interconnection Facilities for the Second Sequence-McCoy Station and Participating TO's Delivery Network Upgrades.</del></li> </ul>	<ul style="list-style-type: none"> <li><del>Interconnection Customer secures final site exclusivity for the Second Sequence-McCoy Station by filing form SF299 with the Bureau of Land management (BLM). BLM shall deem the Interconnection Customer "first in line" to develop a solar energy generating facility on said public lands. The Interconnection Customer will also file a Plan of Development for the McCoy Station, approved by the BLM.</del></li> <li><del>Interconnection Customer has provided Interconnection Financial Security in accordance with Section 9 of the GIP (CAISO Tariff Appendix Y) and applicable FERC Orders.</del></li> </ul>

~~DECISION POINT #1: Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

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**Group 2 Milestones and Decision Point #2 for the Second Sequence-McCoy Station**

**Participating TO Milestone**

- Participating TO secures all permits, licenses, and property rights for the Participating TO's Interconnection Facilities for the Second Sequence-McCoy Station and Participating TO's Delivery Network Upgrades.

**Interconnection Customer Milestone**

- Interconnection Customer secures a Draft Environmental Impact Statement/Environmental Impact Report from the appropriate state and federal agencies granting the permits, licenses, and property rights required for the construction of the Second Sequence-McCoy Station and Interconnection Customer's Interconnection Facilities for the Second Sequence-McCoy Station.

DECISION POINT #2: Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, which notification by Participating TO shall be no earlier than June 1, 2014, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.

**Group 3 Milestones and Decision Point #3 for the Second Sequence-McCoy Station**

**Participating TO Milestone**

- Participating TO completes final design and engineering for the Participating TO's Interconnection Facilities for the Second Sequence-McCoy Station, and Participating TO's Delivery Network Upgrades.

- Participating TO notifies Interconnection Customer that Participating TO is prepared to commence Construction Activities within ninety (90) Calendar Days.

**Interconnection Customer Milestone**

- Interconnection Customer secures and retains all permits, licenses, and Site Exclusivity required for the construction of the Second Sequence-McCoy Station and Interconnection Customer's Interconnection Facilities for the Second Sequence-McCoy Station.

- Interconnection Customer executes contracts for Engineering, Procurement and Construction ("EPC") contractor for the Second Sequence-McCoy Station. If the Interconnection Customer elects to self-build the project, an engineering services firm will be engaged and contracts for procurement of long lead/major equipment for one Electric Generating Unit of the Second Sequence-McCoy Station will be

	<p>executed:</p> <ul style="list-style-type: none"> <li>Interconnection Customer secures 100% of financing, or its board approval if financing is carried on Interconnection Customer's balance sheet, to construct at least one Electric Generating Unit of the Second Sequence McCoy Station and the Interconnection Customer's Interconnection Facilities for the McCoy Station.</li> </ul> <p>Note: If Interconnection Customer has elected Partial Termination of the Second Sequence McCoy Station, then the Participating TO is under no obligation to commence Construction Activities for any Participating TO's Delivery Network Upgrades associated with the Second Sequence McCoy Station.</p>
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~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, which such notice by Participating TO shall be no earlier than September 1, 2014, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 4 Milestones and Decision Point #4 for the Second Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO commences Construction Activities of the Participating TO's Delivery Network Upgrades.</li> <li>Participating TO provides two (2) written notices to Interconnection Customer: (1) upon commencing Construction Activities of Participating TO's Delivery Network Upgrades; and (2) within 12 months prior to completion of Participating TO's Delivery Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Upon Participating TO's notice that it has commenced Construction Activities of the Participating TO's Delivery Network Upgrades, Interconnection Customer shall (1) have entered into, and retain, a power purchase agreement that requires the McCoy Station to achieve Commercial Operation by no later than December 31, 2017 and; 2) relinquish Interconnection Customer's right, from that point forward, to Partial Termination for the Second Sequence McCoy Station.</li> </ul>

~~Upon receipt of Participating TO's notice informing Interconnection Customer that it estimates to complete construction of Participating TO's Delivery Network Upgrades within twelve (12) months, Interconnection Customer shall commence construction of at least one Electric Generating Unit of the Second Sequence-McCoy Station and the Interconnection Customer's Interconnection Facilities for the McCoy Station.~~

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed each of its Group 4 milestones within ninety (90) Calendar Days of the Participating TO's applicable notification. Parties exercise options as outlined in Table 2.~~

**Group 5 Milestones and Decision Point #5 for the Second Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Delivery Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer achieves Initial Synchronization Date for at least one Electric Generating Unit of the Second Sequence-McCoy Station.</li> </ul>
	<ul style="list-style-type: none"> <li>Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of at least one Electric Generating Unit of the Second Sequence-McCoy Station.</li> </ul>

~~DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO:*

~~At each Decision Point as set forth in Table 1 above, if the Interconnection Customer is current in meeting its milestones set forth in Table 1 above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades for the applicable sequence for which the milestones have been met.~~

~~If the Interconnection Customer is not current in meeting its milestones as set forth in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below or its suspension rights under Article 5.16 of this LGIA), the Participating TO has the following additional options:~~

- ~~1) \_\_\_\_\_ Confirm its commitment to finance the Network Upgrades (but have no obligation to do so).~~
- ~~2) \_\_\_\_\_ Discontinue its commitment to finance the Network Upgrades, in which case the Network Upgrades may then be financed by the Interconnection Customer pursuant to Section 14(h) of Appendix A.~~
- ~~3) \_\_\_\_\_ Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement.~~
- ~~4) \_\_\_\_\_ Terminate the LGIA, subject to the termination and Partial Termination provisions in this LGIA.~~
- ~~5) \_\_\_\_\_ Other actions mutually agreeable to both parties.~~

~~The Participating TO will provide written notification to the Interconnection Customer of the option selected.~~

~~If the Interconnection Customer's permits, licenses, and Site Exclusivity required pursuant to the Group 3 Milestones above for the construction of the Second Sequence-McCoy Station are later suspended or held in abeyance for any reason, the Participating TO shall have the right, at its sole discretion and upon five (5) Calendar Days written notice, to suspend any Construction Activities for Participating TO's Delivery Network Upgrades required solely for the Second Sequence-McCoy Station and shall not be obligated to resume such Construction Activities until such permits, licenses and Site Exclusivity are reinstated.~~

*Table 2B – Interconnection Customer:*

~~At each Decision Point as set forth in Table 1 above, if the Participating TO is~~

~~current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as set forth in Table 1, the Interconnection Customer has the following additional options:~~

~~1) \_\_\_\_\_ Continue to develop the Electric Generating Units for which the milestone has not been met (but have no obligation to do so).~~

~~2) \_\_\_\_\_ Adjust its development milestones for the applicable Electric Generating Units in Table 1 above, on a day-for-day basis, as appropriate, to the Participating TO's new timetable(s).~~

~~3) \_\_\_\_\_ (a) If the Participating TO is not current in meeting its milestones with respect to the First Sequence Genesis Station, the Interconnection Customer shall have the right to (1) terminate the LGIA in its entirety, with resulting disconnection of the First Sequence Genesis Station, and cause the refund of the Partial Termination Charge Security in full to Interconnection Customer, or (2) invoke Partial Termination of this LGIA with respect to Electric Generating Unit 2 pursuant to Article 2.4.4, provided that the Interconnection Customer has previously posted Partial Termination Charge Security for Unit 2.~~

~~(b) If the Participating TO is not current in meeting its milestones with respect to the Second Sequence McCoy Station, the Interconnection Customer shall have the right to invoke Partial Termination of this LGIA in accordance with Article 2.4.4 with respect to either or both Electric Generating Units within the Second Sequence-McCoy Station~~

~~4) \_\_\_\_\_ Terminate this LGIA, subject to termination and Partial Termination provisions in this LGIA.~~

~~5) \_\_\_\_\_ Other actions mutually agreeable to both parties.~~

~~The Interconnection Customer will provide written notification to the Participating TO of the option selected.~~

~~\* The termination provisions provided above (option 3(a) and (b)) reflect that the Interconnection Customer may invoke a Partial Termination under Section 2.4.4 with respect to those Electric Generating Units for which the Interconnection Customer has previously provided Partial Termination Charge Security, which right of Partial Termination is alternative to the Interconnection Customer's choice of termination of the entire LGIA under Article 2.3 of this LGIA.~~

~~If the Participating TO is unable to complete the Network Upgrades necessary to provide full deliverability to the entire Generating Facility, the Participating TO shall use commercially Reasonable Efforts to pursue alternatives to provide full deliverability to the entire Generating Facility.~~

~~If, within seventy-two (72) months of the Effective Date of the LGIA, the Participating TO has not (i) commenced construction of the West of Devers~~

~~Network Upgrades or (ii) made commercially Reasonable Efforts to provide an alternative solution for ensuring timely Full Capacity Deliverability Status for the Generating Facility, and either (a) the Interconnection Customer is in default of a power purchase agreement or cannot perform under a power purchase agreement as a result thereof, or (b) the Parties otherwise reasonably agree that the Interconnection Customer has been harmed as a result of the Participating TO's failure to complete the West of Devers Network Upgrades (or otherwise provide Full Capacity Deliverability Status for the Generating Facility) in a timely manner, then the Interconnection Customer shall have the right to invoke a Partial Termination of this LGIA with respect to the Electric Generating Units that the Interconnection Customer reasonably demonstrates to the other Parties it is unable to construct. If Partial Termination is exercised under the terms of the foregoing sentence, the Participating TO and the CAISO shall return the Partial Termination Charge Security applicable to such terminated Electric Generating Units to the Interconnection Customer. Any Partial Termination exercised by the Interconnection Customer, other than in accordance with this paragraph, shall result in the CAISO and the Participating TO liquidating the Partial Termination Charge Security applicable to the terminated Electric Generating Units in accordance with Article 2.4.4.5 of this LGIA.~~

~~(e) \_\_\_\_\_ The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 14(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 14(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 14(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(f) \_\_\_\_\_ The Participating TO is under no obligation to finance other network upgrades if the Network Upgrades are modified pursuant to the GIP and such modification results in the Participating TO having to reaffirm Abandoned Plant Approval for the modified Network Upgrades. The Participating TO may seek reaffirmation of Abandoned Plant Approval for any modified Network Upgrades, at its sole discretion. If (i) the reaffirmation of Abandoned Plant Approval for the modified Network Upgrades is not received within six (6) months (or such longer period mutually agreed to by the Parties) of applying for such reaffirmation, or (ii) the Participating TO does not seek reaffirmation of Abandoned Plant Approval, the Parties agree to amend this LGIA~~

~~(g) \_\_\_\_\_ With the exception of Interconnection Customer exercising its Partial Termination rights pursuant to Article 2.4.4, if the Interconnection Customer does not meet any one of the milestones specified in Table 1~~

~~under Section 14(d) above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above or its suspension rights under Article 5.16 of this LGIA), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA and the provisions of Section 12(f) of this LGIA. Each milestone in Table 1 of Section 14(d) shall be subject to the Force Majeure provisions of this LGIA.~~

~~(h) \_\_\_\_\_ Notwithstanding anything to the contrary in Table 2A under Section 14(d), Interconnection Customer shall not be in Breach of this LGIA, and the Participating TO shall not have the right to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 14(d), provided that the Parties: (i) reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Network Upgrades; and (ii) reach agreement on such amendment within sixty (60) Calendar Days after Participating TO's notification of its having exercised option 2 or 4 under Table 2A of Appendix A.~~

~~(i) \_\_\_\_\_ Each Party shall provide the other Party with a monthly status report, including all supporting documentation, to verify that Party's progress on the milestones outlined in Table 1 under Section 14(d) above.~~

~~(j) \_\_\_\_\_ At no time will the Participating TO require payment from the Interconnection Customer for any Network Upgrades for which Abandoned Plant Approval has been obtained, provided that the costs of such Network Upgrades are incurred while the Interconnection Customer is current with meeting its development milestones pursuant to Section 14(d).~~

## ~~15. \_\_\_\_\_ Supplemental Billing and Payment Provisions:~~

~~(a) \_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment, Reliability Network Upgrades Payment, and Licensing Assessment Payment.~~

~~(b) \_\_\_\_\_ Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date for the applicable First Sequence and Second Sequence, each month the Participating TO will render bills to the Interconnection Customer for the applicable Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 16 of this Appendix A, and shall be subject to later adjustment pursuant to Section 15.(b)(i) and 15.(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~(c) In the event that any portion of Participating TO's Interconnection Facilities is not complete but, at the request of Interconnection Customer, Participating TO commences Interconnection Service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

~~(d) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) Except as provided in Section 8(b) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) Except as provided in Section 8(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(e) As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(f) If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 13 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(g) The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or~~

any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.

(h) Prior to the Parties execution of this LGIA, the Participating TO commenced work on the Participating TO's Reliability Network Upgrades pursuant to the Letter Agreements. In accordance with the Letter Agreements, this LGIA will supersede the Letter Agreements upon the Effective Date and Interconnection Customer's deposits made pursuant to the Letter Agreements will be credited to the amounts due under this LGIA. Following the Effective Date of this LGIA (i) the \$3,250,000 in cash deposits made by the Interconnection Customer pursuant to the Letter Agreements will be credited towards the Interconnection Facilities Payment under this Appendix A; and (ii) the \$1,120,000 letter of credit provided by Interconnection Customer pursuant to the Letter Agreements shall be applied towards the security amount due for the estimated tax liability pursuant to Section 11 of this Appendix A.

(i) The Participating TO will apply the same procedures provided in Article 12.2 of this LGIA to the final invoice for the Licensing Assessment.

**16. Distribution Upgrades Cost, Reliability Network Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, and Licensing Assessment Cost Summary:**

(a) Estimated Cost:

Element	Interconnection Facilities Cost	Distribution Upgrades Cost	Reliability Network Upgrades Cost*	Delivery Network Upgrades Cost*	One-Time Cost	Licensing Assessment Costs	Total Cost	ITCC
Participating TO's Interconnection Facilities	\$3,394,000				\$0		\$3,394,000	\$1,187,900
Distribution Upgrades		\$0			\$0		\$0	\$0
Reliability Network Upgrades (plan of service)			\$3,168,000		\$0		\$3,168,000	\$0
Reliability Network Upgrades			\$27,525,000		\$0		\$27,525,000	\$0
Delivery Network Upgrades				\$108,970,000	\$0		\$108,970,000	\$0
Licensing Assessment						\$130,000	\$130,000	\$0
Total	\$3,394,000	\$0	\$30,693,000	\$108,970,000	\$0	\$130,000	\$143,187,000	\$1,187,900

Notes: \*Network Upgrades costs are shown for information purposes only since the Participating TO has agreed to finance the Network Upgrades, subject to Section 14 of this Appendix A.



**17. ~~Interconnection Facilities Charge:~~**

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

		Estimated		Actual	
Effective	Customer-Financed Monthly Rate	Interconnection Facilities Cost	Interconnection Facilities Charge	Interconnection Facilities Cost	Interconnection Facilities Charge
As of the Interconnection-Facilities Completion Date for the applicable sequence	0.38%	First Sequence: \$3,394,000 Second Sequence: \$TBD*	First Sequence: \$12,897.20 Second Sequence: \$TBD*	{to be inserted after true-up}	{to be inserted after true-up}

\* The portion of the Interconnection Facilities Cost that will be applicable to the Second Sequence, for the purpose of calculating the Interconnection Facilities Charge, will be determined based on the timing of facilities installed as required to accommodate phasing of the First and Second Sequences.

**18 ~~Payment Schedule:~~**

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

Payment No.	Payment Due Date	Interconnection Facilities Cost	Distribution Upgrades Cost	One-Time Cost	Licensing Assessment Cost	Project Payment	ITCC
1	PAID	<del>—\$ 50,000</del>	<del>\$ 0</del>	<del>—\$ 0</del>	<del>—\$ 0</del>	<del>—\$ 50,000</del>	<del>—\$ 17,500</del>
2	PAID*	<del>\$ 750,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>—\$ 750,000</del>	<del>\$ 262,500</del>
3	PAID*	<del>\$ 750,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 750,000</del>	<del>\$ 262,500</del>
4	PAID*	<del>\$ 1,700,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 1,700,000</del>	<del>\$ 595,000</del>
5	9/1/11	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 130,000</del>	<del>\$ 130,000</del>	<del>\$ 0</del>
6	10/1/11	<del>\$ 100,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 100,000</del>	<del>\$ 35,000</del>
7	11/1/11	<del>\$ 44,000</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 0</del>	<del>\$ 44,000</del>	<del>\$ 15,400</del>
<b>Total</b>		<del>\$ 3,394,000</del>	<del>\$ 0</del>	<del>—\$ 0</del>	<del>\$ 130,000</del>	<del>\$ 3,524,000</del>	<del>\$ 1,187,900</del>

\* Payments 1, 2, 3 and 4 above have been credited from deposits paid pursuant to the Letter Agreements in accordance with Section 15(h) of this Appendix A.

All amounts shown above are in nominal dollars.

~~Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$ 3,394,000~~

~~Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$0~~

~~Licensing Assessment Payment = Licensing Assessment Costs = \$130,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Reliability Network Upgrades, subject to Section 14 of this Appendix A.~~

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$ 0 since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Section 14 of this Appendix A.~~

~~ITCC will be provided by Interconnection Customer in accordance with Appendix A, Section 11 and Section 15(h).~~

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**Appendix B  
To LGIA**

**Milestones**

**1. ~~\_\_\_\_\_ The Interconnection Customer's Selected Option:~~** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. ~~\_\_\_\_\_ Milestone Dates:~~**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date First Sequence - Genesis Station</u>	<u>Due Date Second Sequence - McCoy Station</u>
<del>(a)</del>	<del>Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the execution of this LGIA</del>	<del>Within ten (10) Calendar Days of the execution of this LGIA</del>
<del>(b)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA.</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>
<del>(c)</del>	<del>Submittal of second posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities to the Participating TO pursuant to Section 9 of the GIP and Article 11.5 and Section 10 Appendix A of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study Report:  January 4, 2011</del>	<del>Within one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study Report:  January 4, 2011</del>
<del>(d)</del>	<del>Submittal of third posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities to</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>	<del>Within ten Calendar Days of the Effective Date</del>

	the Participating TO pursuant to Section 9 of the GIP and Article 11.5 and Section 10 of Appendix A of the LGIA			
<u>(e)</u>	Submittal of written authorization to proceed with construction of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	<u>Interconnection Customer</u>	<u>Within thirty (30) Calendar Days of the Effective Date</u>	<u>Within thirty (30) Calendar Days of the Effective Date</u>
<u>(f)</u>	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	<u>Interconnection Customer</u>	<u>Within thirty (30) Calendar Days of the Effective Date</u>	<u>Within thirty (30) Calendar Days of the Effective Date</u>
<u>(g)</u>	Completion of the Participating TO's Interconnection Facilities and Network Upgrades	<u>Participating TO</u>	Interconnection Facilities: First Sequence Genesis Station - Within thirty-eight (38) months following the effective date of the September 8, 2010 Letter Agreement*  Reliability Network Upgrades: Within thirty-eight (38) months following the effective date of the September 8, 2010 Letter Agreement*  Delivery Network Upgrades: Within eighty-four (84) months	Interconnection Facilities: Second Sequence McCoy Station - Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station, including the Genesis McCoy 220kV Switchyard; but no sooner than thirty-eight (38) months following the effective date, of the September 8, 2010 Letter

			<p>following the Effective Date*</p> <hr/>	<p>Agreement*</p> <p>Reliability Network Upgrades: Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station, including the Genesis McCoy 220kV Switchyard; but no sooner than thirty-eight (38) months following the effective date, of the September 8, 2010 Letter Agreement*</p> <p>Delivery Network Upgrades: Within eighty-four (84) months following the Effective Date*</p>
(h)	<p>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and Genesis McCoy Solar Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</p>	<p>Interconnection Customer</p> <hr/>	<p>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization</p>	<p>At least twenty-four (24) months prior to the Initial Synchronization Date for the Second</p>

			<del>Date for the First Sequence Genesis Station</del>	<del>Sequence McCoy Station</del>
<del>(i)</del>	<del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation for the First Sequence Genesis Station</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation for the Second Sequence McCoy Station</del>
<del>(j)</del>	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation for the First Sequence Genesis Station</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation for the Second Sequence McCoy Station</del>
<del>(k)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(l)</del>	<del>Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and Genesis McCoy Solar Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date for the First Sequence Genesis Station</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date for the Second Sequence McCoy Station</del>

<del>(m)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
<del>(n)</del>	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least three (3) months prior to the Initial Synchronization Date for the First Sequence Genesis Station</del>	<del>At least three (3) months prior to the Initial Synchronization Date for the Second Sequence McCoy Station</del>
<del>(o)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date</del>
<del>(p)</del>	<del>In-Service Date</del>	<del>Interconnection Customer</del>	<del>First Sequence Genesis Station: Thirty-eight (38) months following the effective date of the September 8, 2010 Letter Agreement, or November 8, 2013</del>	<del>Second Sequence McCoy Station: Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station, including the Genesis McCoy 220kV Switchyard; but no sooner than November 8, 2013 or thirty-eight (38) months following the effective date, of</del>

				the September 8, 2010 Letter Agreement*
(g)	Initial Synchronization Date	Interconnection Customer	First Sequence Genesis Station: Thirty-eight (38) months following the effective date of the September 8, 2010 Letter Agreement, or November 8, 2013	Second Sequence McCoy Station: Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station, including the Genesis McCoy 220kV Switchyard; but no sooner than November 8, 2013 or thirty-eight (38) months following the effective date, of the September 8, 2010 Letter Agreement*
(r)	Trial Operation begins	Interconnection Customer	First Sequence Genesis Station: Thirty-eight (38) months following the effective date of the September 8, 2010 Letter Agreement or November 8, 2013	Second Sequence McCoy Station: Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station,

				including the Genesis McCoy 220kV Switchyard; but no sooner than November 8, 2013 or thirty-eight (38) months following the effective date, of the September 8, 2010 Letter Agreement*
<del>(s)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date for the First Sequence Genesis Station</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date for the Second Sequence McCoy Station</del>
<del>(t)</del>	<del>Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Genesis McCoy Solar Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date for the First Sequence Genesis Station</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date for the Second Sequence McCoy Station</del>
<del>(u)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Genesis McCoy Solar Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date for the First Sequence Genesis Station</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date for the Second Sequence McCoy Station</del>
<del>(v)</del>	<del>Commercial Operation Date</del>	<del>Interconnection</del>	<del>First Sequence</del>	<del>Second</del>

		<u>Customer</u>	<del>Genesis Station (Electric Generating Units 1 &amp; 2): April 1, 2014. Unit 1 Commercial Operation Date is expected to be sooner, but not later than April 1, 2014.</del>	<del>Sequence McCoy Station: Twenty-four (24) months following Interconnection Customer's submittal of initial specifications for Interconnection Customer's Interconnection Facilities for the McCoy Station, including the Genesis McCoy 220kV Switchyard; but no sooner than November 8, 2013 or thirty-eight (38) months following the effective date, of the September 8, 2010 Letter Agreement*</del>
<u>(w)</u>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<u>Interconnection Customer</u>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date for the First Sequence Genesis Station, unless otherwise agreed</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date for the Second Sequence McCoy Station, unless otherwise agreed</del>

~~\* Note: The Interconnection Customer understands and acknowledges that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, right-of-way negotiations, or~~

~~other unforeseen events could delay the actual in-service dates of the Participating TO's Interconnection Facilities, Distribution Upgrades, or Network Upgrades beyond those specified. The Participating TO shall not be liable for any cost or damage incurred by the Interconnection Customer because of any delay in the work provided for in this LGIA.~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period except for the milestones requiring posting of Interconnection Financial Security for the Network Upgrades common to multiple generating stations. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

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## **Appendix C To LGIA**

### **Interconnection Details**

**1. ~~\_\_\_\_\_~~ **Generating Facility:** The Generating Facility includes, but is not limited to, all equipment and facilities comprising the proposed 500 MW generating facility near Desert Center and Blythe, California, as disclosed by the Interconnection Customer (originally FPL Energy, LLC which changed to Desert Center Blythe, LLC and subsequently to NextEra Desert Center Blythe, LLC) in its Interconnection Request dated May 24, 2007, as was subsequently amended during the Interconnection Study process, which includes the Genesis Station, a 250 MW solar thermal generating facility near Desert Center, California and the McCoy Station, a 250 MW photovoltaic generating facility near Blythe, California. The Genesis Station consists of two (2) Siemens steam turbine generators rated at 167 MVA each (but limited to a maximum output of 125 MW each), two (2) 220/13.8kV 150MVA step-up transformers with 9% impedance on a 90 MVA base, meters and metering equipment, and appurtenant equipment. The McCoy Station consists of solar panels and DC-AC inverters, one (1) 220/34.5kV 294 MVA step-up transformer with 8% impedance on a 201 MVA base, meters and metering equipment, and appurtenant equipment (Genesis Station & McCoy Station together, the Generating Facility or the "Genesis McCoy Solar Project"). The Genesis McCoy Solar Project is proposed to be a Phased Generating Facility to be constructed in two sequences, with the Genesis Station proposed to be constructed in the First Sequence and the McCoy Station proposed to be constructed in the Second Sequence as further described in Appendix A.**

### **2. ~~\_\_\_\_\_~~ **Interconnection Customer** **Operational Requirements.****

(a) ~~\_\_\_\_\_~~ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Genesis McCoy Solar Project and the Interconnection Customer's Interconnection Facilities in accordance with the CAISO Tariff, NERC and the Applicable Reliability Council requirements, and Applicable Reliability Standards.

(b) ~~\_\_\_\_\_~~ The Genesis McCoy Solar Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.

### **3. ~~\_\_\_\_\_~~ **Interconnection Principles:****

(a) ~~\_\_\_\_\_~~ This LGIA provides for interconnection of a total capacity of 500 MW, resulting from the interconnection of the Genesis McCoy Solar Project, as described in Section 1 of this Appendix C. The Interconnection

~~Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~

~~(b) \_\_\_\_\_ The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Genesis McCoy Solar Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation in accordance with Section 12.4 of the GIP.~~

~~(c) \_\_\_\_\_ In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) \_\_\_\_\_ Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Genesis McCoy Solar Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Genesis McCoy Solar Project or the Interconnection Customer's Interconnection Facilities.~~

~~(e) \_\_\_\_\_ Should the CAISO in the future permit multiple large generator interconnection agreements for a Generating Facility having multiple Electric Generating Units with the same single Point of Interconnection, upon Interconnection Customer's request for comparable, stand alone large generator interconnection agreements for the Genesis Station and the McCoy Station, the Parties agree to work cooperatively and expeditiously to comply with such request.~~

~~(f) \_\_\_\_\_ The Interconnection Customer shall complete and receive approval for all environmental impact studies necessary for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA. Interconnection Customer shall include such~~

~~facilities in all such environmental impact studies, where applicable. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades described in Appendix A of this LGIA.~~

~~(g) \_\_\_\_\_ The Interconnection Customer is responsible for all costs associated with any necessary relocation of any Participating TO facilities as a result of the Genesis McCoy Solar Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of Participating TO facilities or use of Participating TO property rights shall only be permitted upon written agreement between Participating TO and the Interconnection Customer. Any proposed relocation of Participating TO facilities or use of Participating TO property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of Participating TO facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered a Network Upgrade and would not be refundable to the Interconnection Customer.~~

~~(h) \_\_\_\_\_ This LGIA does not address any requirements for standby power or temporary construction power that the Genesis McCoy Solar Project may require prior to the in-service date of the Interconnection Facilities. Should the Genesis McCoy Solar Project require standby power or temporary construction power from Participating TO prior to the in-service date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with Participating TO to receive and pay for such retail service.~~

#### ~~4. \_\_\_\_\_~~ **Cluster Study Group:**

~~(a) \_\_\_\_\_ The Genesis McCoy Solar Project participated in the CAISO's Eastern Bulk System Cluster for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid.~~

#### ~~5. \_\_\_\_\_~~ **Interconnection Operations:**

~~(a) \_\_\_\_\_ The Interconnection Customer shall cause the Genesis McCoy Solar Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the~~

~~Genesis McCoy Solar Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this LGIA.~~

~~(b) \_\_\_\_\_ The Interconnection Customer shall cause the Genesis McCoy Solar Project to participate in CAISO congestion management in accordance with CAISO Tariff.~~

~~(c) \_\_\_\_\_ Following outages of the Interconnection Facilities or the Genesis McCoy Solar Project, the Interconnection Customer shall not energize the Genesis McCoy Solar Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(d) \_\_\_\_\_ The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~(e) \_\_\_\_\_ The Interconnection Customer elected for the Genesis McCoy Solar Project in its Interconnection Request to have Full Capacity Deliverability Status as such term is defined in the CAISO Tariff. Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, the Genesis McCoy Solar Project will have Energy Only Deliverability Status as such term is defined in the CAISO Tariff unless partial Full Capacity Delivery Status becomes available and is allocated to the Interconnection Customer.~~

~~(f) \_\_\_\_\_ Additional operational studies may be performed by the Participating TO on an as needed basis and at the Interconnection Customer's expense to confirm if any of the circuit breaker upgrades or replacements identified in the Phase II Interconnection Study as being triggered by queued ahead projects are required to be advanced in order to accommodate interconnection of the Genesis McCoy Solar Project. In the event that it is determined by the Participating TO that any such upgrades or replacements are required to be advanced in order to accommodate interconnection of the Genesis McCoy Solar Project, such advancement shall be addressed in accordance with Section 12.2.2 of the GIP.~~

~~(g) \_\_\_\_\_ In accordance with Article 5.12 of the LGIA, the Interconnection Customer and Participating TO shall execute any necessary supplemental agreements, as determined by the Participating TO, to effectuate and record such easement(s) which provides the Participating TO unrestricted 24 hour~~

~~access to Participating TO's Interconnection Facilities located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.~~

~~(h) \_\_\_\_\_ This LGIA assumes, based on the Interconnection Customer's initial plans, that interconnection of the Second Sequence McCoy Station will coincide with the completion date of the Delivery Network Upgrades. However, under certain conditions, the Interconnection Customer may elect to interconnect the Second Sequence McCoy Station sooner than its initial plans and prior to the Delivery Network Upgrades completion date.~~

~~In the event the Interconnection Customer, with appropriate notice to Participating TO and the CAISO, elects to proceed with its Second Sequence McCoy Station, in addition to its First Sequence Genesis Station, prior to the planned in-service date of the Participating TO's Delivery Network Upgrades (specifically that portion of the Participating TO's Delivery Network Upgrades that is the second AA bank at Colorado River Substation), then Interconnection Customer may be responsible, as determined by the Participating TO and the CAISO, for advancing the capacitor bank (Capacitor Bank) at Colorado River Substation that is a planned reliability network upgrade for generator interconnections in the CAISO's Queue Cluster 2. Such determination will be made by the Participating TO and the CAISO at the time the Interconnection Customer notifies the Participating TO and the CAISO in accordance with Appendix B of this LGIA that it intends to proceed with connection of the Second Sequence McCoy Station prior to the Participating TO's Delivery Network Upgrades completion date. If the Participating TO and the CAISO determine, based on the status of planned generator interconnections and associated upgrades at Colorado River Substation, that the Capacitor Bank at Colorado River Substation is required to accommodate the earlier Second Sequence McCoy Station in-service date, then the Interconnection Customer shall pay the Participating TO, unless otherwise provided for in Section 12.2 of the GIP, to advance the engineering, design, procurement and installation of the Capacitor Bank. The Participating TO will refund the cost of such work to the Interconnection Customer on the earlier of (i) the date the Capacitor Bank would have otherwise been installed to accommodate the subsequent generator interconnections; or (ii) the date that is determined in accordance with Article 11.4.1 of this LGIA. For information purposes, the Capacitor Bank has been identified in the Queue Cluster 2 Phase I Interconnection Study Report as one (1) 150 MVAR Capacitor Bank to be connected at the Colorado River Substation 500kV Bus, and is estimated to cost approximately \$26,604,000. The Capacitor Bank scope of work and cost estimate is subject to change based on the results of the Queue Cluster 2 Phase II Interconnection Study.~~

~~**6. \_\_\_\_\_ Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Genesis McCoy Solar Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register~~

~~with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Genesis McCoy Solar Project up to the Point of Change of Ownership as described in Section 5 of Appendix A of this LGIA.~~

~~7. **Interconnection Customer Ownership**~~

~~**Structure:** The Parties acknowledge and agree that the Interconnection Customer may elect to structure the legal ownership of the entire Generating Facility referenced in this LGIA, known as the Genesis McCoy Solar Project, in order to divide its ownership into two separate legal entity owners so long as each entity owns one or more discrete Electric Generating Unit(s) and other physical components of the entire Generating Facility in a manner that is consistent with the "Recitals to Appendix A." Each of these legal entities, which are Affiliates as of the execution of this LGIA, but which are not required to be Affiliates, shall be an owner of the Interconnection Customer and shall own a pro-rata share of the Interconnection Customer in proportion to the amount of the entire Genesis McCoy Solar Project's electrical capacity that the Affiliate controls (each an "Affiliate Owner", jointly the "Affiliate Owners"). The Parties further acknowledge and agree that:~~

~~(i) ~~the ownership structure of the Genesis McCoy Solar Project shall be detailed in the Interconnection Customer's limited liability company agreement (the "Operating Agreement") and the shared facilities agreement ("Shared Facilities Agreement") between the Interconnection Customer and the Affiliate Owners that shall contain the terms and conditions listed below in subsections (a) through (d) and which shall be subject to the approval of the Participating TO and the CAISO; and~~~~

~~(ii) ~~each of the Affiliate Owners of the Interconnection Customer shall be required to have executed an assignment and assumption agreement by which (a) Interconnection Customer assigns to each Affiliate Owner Interconnection Customer's rights to Interconnection Service under this LGIA in respect of the Electric Generating Units owned and operated by or expected to be owned and operated by such Affiliate Owner and (b) each Affiliate Owner agrees, to the extent of the Electric Generating Units owned and operated by or expected to be owned and operated by such Affiliate Owner, to both (1) be bound by and subject to the obligations and responsibilities of the Interconnection Customer under this LGIA with respect to the rights to Interconnection Service assumed by such Affiliate Owner and (2) take such actions as may be required (or refrain from taking such action) to cause the Interconnection Customer to meet such obligations and responsibilities (such agreement to be referred to herein as the "Assignment Agreement"). The Assignment Agreement shall be in a form subject to approval of the CAISO and the Participating TO.~~~~

~~(a) ~~The number of Affiliate Owners in the Generating Facility shall not exceed the number of sequences or Electric Generating Units designated by the Interconnection Customer for purposes of Partial Termination.~~~~

~~(b) ~~The Interconnection Customer shall serve as agent for its Affiliate Owners who receive the benefits and assume the obligations and responsibilities in connection with the Interconnection Customer's rights to~~~~

~~Interconnection Service under this LGIA; provided however, the Affiliate Owners are not parties to this LGIA and such benefits, obligations and responsibilities shall be derived solely by and through the Interconnection Customer. The Affiliate Owners shall receive the benefits of the Interconnection Customer's rights to Interconnection Service and be subject to the Interconnection Customer's obligations and responsibilities only to the extent of Interconnection Customer's rights, obligations and responsibilities as are provided for under this LGIA, except to the extent that such rights, obligations and responsibilities may be limited, as provided in paragraph (c) below. Additionally, such rights, obligations and responsibilities shall exist only for such period of time as the Interconnection Customer is a Party to this LGIA. No provision in the Shared Facilities Agreement, the Operating Agreement or this LGIA shall operate or be construed so as to:~~

- ~~i. \_\_\_\_\_ relieve the Interconnection Customer of its obligations to the Participating TO or the CAISO under this LGIA;~~
- ~~ii. \_\_\_\_\_ require either the Participating TO or the CAISO to communicate directly with, or look to, Affiliate Owners with respect to the Interconnection Customer's performance under this LGIA;~~
- ~~iii. \_\_\_\_\_ entitle the Affiliate Owners to receive any notice under the LGIA from the Participating TO or the CAISO; or,~~
- ~~iv. \_\_\_\_\_ provide to the Affiliate Owners any rights or benefits, or subject it to any obligations or responsibilities under the LGIA other than by or through the Interconnection Customer, as provided in and as limited by this paragraph.~~

~~(c) \_\_\_\_\_ The Operating Agreement shall require each Affiliate Owner to contribute to the Interconnection Customer (i) its pro-rata share of any and all amounts the Interconnection Customer is required to pay under the LGIA, including but not limited to, the Participating TO Interconnection Facilities Charge and any ancillary charges incurred directly from the Participating TO or CAISO and (ii) the amount of any NERC penalties incurred by Interconnection Customer as a result of the actions or omissions of such Affiliate Owner. In addition the Participating TO and the CAISO, as third party beneficiaries in connection with the LGIA, shall be granted certain rights to enforce those obligations as third party beneficiaries of the Shared Facilities Agreement that are intended for the benefit of the Participating TO and the CAISO as Parties to the LGIA.~~

~~(d) \_\_\_\_\_ In executing this LGIA, the Participating TO and CAISO grant their consent to the terms in the form of Assignment Agreement, Operating Agreement and Shared Facilities Agreement, provided the form of each such agreement remains substantially the same as those provided to the Participating TO and CAISO, and if such terms materially change, future approval by the Participating TO and CAISO shall not be unreasonably withheld. The Assignment Agreement, Operating Agreement and Shared Facilities Agreement shall be fully executed by the parties with thirty (30) Calendar Days of the Effective Date of this LGIA. The failure to execute such agreements by this date shall be considered a Breach under this LGIA.~~

~~(e) \_\_\_\_\_ Interconnection Customer shall agree not to amend or modify the Operating Agreement or the Shared Facilities Agreement in any~~

~~material respect without the prior written consent of the Participating TO and CAISO, which consent shall not be unreasonably withheld.~~

~~(f) \_\_\_\_\_ The Shared Facilities Agreement shall require the Interconnection Customer to communicate with its Affiliate Owners in order to ensure that all requirements of this LGIA are performed by the Interconnection Customer. The Shared Facilities Agreement shall require further that each Affiliate Owner comply with the Interconnection Customer's instructions, in order to ensure that the Interconnection Customer complies with the provisions of this LGIA. No failure by an Affiliate Owner to comply with any instructions from the Interconnection Customer shall excuse the Interconnection Customer from performance of any of its obligations under this LGIA. The Shared Facilities Agreement shall provide that each Affiliate Owner has both the legal authority and the operational abilities to satisfy the obligations under the Shared Facilities Agreement.~~

~~(g) \_\_\_\_\_ The Interconnection Customer and each of the Affiliate Owners shall agree in the Shared Facilities Agreement not to assign any claims of benefit, under that Shared Facilities Agreement, to any third party. However, each of the Interconnection Customer and the Affiliate Owners shall have the right to assign for collateral security purposes, for financing of the Genesis McCoy Solar Project, any of that Affiliate Owner's respective rights and obligations under the Shared Facilities Agreement, Assignment Agreement and the Operating Agreement.~~

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## **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>.~~

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**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]**

Mr. Stephen Rutty  
Director, Grid Assets  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Management  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: \_\_\_\_\_ Electric Generating Unit

Dear Messrs. Rutty, Kott, and Law:

On **[Date]** NextEra Desert Center Blythe, LLC has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that NextEra Desert Center Blythe, LLC commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]** and that NextEra Desert Center Blythe, LLC provided the CAISO's operations personnel advance notice of its intended Commercial Operation Date no less than five (5) Business Days prior to that date.

Thank you.

**[Signature]**

**[NextEra Desert Center Blythe, LLC Representative]**

cc: Linda Wright

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**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

General Notices:

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 250 Outcropping Way Folsom, CA 95630	Manager, Grid Contracts Management P. O. Box 600 Rosemead, CA 91770	Cindy Tindell Vice President Business Management 700 Universe Blvd. Juno Beach, FL 33408

**2. \_\_\_\_\_ Operating Communications and  
Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information ten (10) Calendar Days prior to the Initial Synchronization Date:

CAISO	Participating TO	Interconnection Customer [Customer Name]
CAISO Real Time Desk/24 Hour Telephone:	Grid Control Center/24 Hour Telephone:	*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:
Alternate Phone:		*Operation Center Fax. No.: *E-mail:

**3. \_\_\_\_\_ Operational Matters, Force Majeure, and  
Outage Notices:**

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Name/Title: Phone:

**4. \_\_\_\_\_ For Emergencies:**

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Name/Title: Phone:

**5. \_\_\_\_\_ Billing and Payments:**

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 250 Outcropping Way Folsom, CA 95630	Manager, Grid Contracts Management P. O. Box 600 Rosemead, CA 91770	Matt Schafer Vice President Business Management 700 Universe Blvd. Juno Beach, FL 33408

**6. \_\_\_\_\_ Alternate Forms of Delivery of Notices  
(telephone, facsimile or e-mail):**

CAISO	Participating TO	Interconnection Customer
<u>lwright@caiso.com</u>	Manager, Grid Contracts Management Tel: (626) 302-9640 Fax: (626) 302-1152	Keith Jenkins Executive Director Business Management 700 Universe Blvd. Juno Beach, FL 33408  Phone: 561-304-5162 Email: <u>Keith.Jenkins@Nexteraenergy.com</u>

**Appendix G  
To LGIA**

**Interconnection Customer's Proportional Share of Costs of Network Upgrades for Applicable Project Group**

Type	Upgrades	Needed For	Cost factor	Cost Share (\$1000)
Delivery	West of Devers 220kV upgrades: Reconductoring four 230kV lines of West of Devers.	Normal and contingency overload	21.35%	\$94,297
Delivery	Expand Colorado River (CR) Substation: add the second 500/220-AA transformer banks, rated at 1120 MVA as normal rating.	Normal overload on the first Colorado River 500/230 kV transformer	30.30%	\$14,673
Reliability	Expand Colorado River (CR) Substation: Build CR 500/220 kV Substation with a new 500/220-AA transformer banks, rated at 1120 MVA as normal rating.	Interconnect the new generators at Colorado River 230 kV bus	30.30%	\$18,660
Reliability	Loop-in the Red Bluff (RB) 500/220 kV Substation into the Colorado—Devers 500 kV #2 line	To balance power flow on DPV 1 and DPV 2 lines	23.26%	\$7,505
Reliability	Replace the line raiser on Mira Loma—Vista 220 kV #2 line to 3500amps or higher	Emergency overload in off-peak reliability study	22.73%	\$26
Reliability	Develop a SPS to trip 1400MW TC2 generation to mitigate dynamic voltage violations under the N-2 of Devers—RedBluff No.1 and No.2 500 kV lines.	Dynamic voltage violation under N-2 contingency	23.26%	\$187
Reliability	Develop a SPS to trip 500-MW TC2 generation at the Colorado River 500/220 kV substation to mitigate the overload by on one AA bank for the loss of another AA bank (T-1 contingency)	Emergency overload	30.30%	\$1,147
Plan of Service Reliability Network Upgrade	Substation, Power System Control	Direct Assigned Network upgrades needed to enable interconnection.	100.00%	\$3,168
			<b>Total:</b>	<b>\$139,663</b>

Note: The amounts shown above are in nominal dollars.

## **Appendix H To LGIA**

### **INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY**

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

#### **A. Technical Requirements Applicable to Asynchronous Generating Facilities**

##### **i. Low Voltage Ride-Through (LVRT) Capability**

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

1. \_\_\_\_\_ An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step-up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.
2. \_\_\_\_\_ An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step-up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's

~~Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

~~3. \_\_\_\_\_ Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~

~~4. \_\_\_\_\_ The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~

~~5. \_\_\_\_\_ The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.~~

~~6. \_\_\_\_\_ Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~7. \_\_\_\_\_ Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~

~~8. \_\_\_\_\_ The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of July 3, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

### ~~iii. Power Factor Design Criteria(Reactive Power)~~

~~An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this 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 Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.~~

### ~~iv. Supervisory Control and Data Acquisition (SCADA) Capability~~

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

### ~~v. Power System Stabilizers (PSS)~~

~~Power system stabilizers are not required for Asynchronous Generating Facilities.~~

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**Attachment BB**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 98 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Palen Solar II, LLC, SCE, and ISO, designated as SCE Service Agreement No. 98

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment CC - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1828**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Palen Solar II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 98.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 98, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment DD - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1828**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Palen Solar II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 98.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 98, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

Title Page

~~California Independent System Operator Corporation~~

~~Non-Conforming Service Agreements~~

~~Tariff Record Title: Service Agreement No. 1828~~

~~**LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)  
AMONG**~~

~~**PALEN SOLAR II, LLC  
AND**~~

~~**SOUTHERN CALIFORNIA EDISON COMPANY  
AND**~~

~~**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**~~

**Palen Solar Power Project**

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Tariff Record Proposed Effective Date: 12/22/10

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Version Number: 0.0.0

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Option Code: A

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~~LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~PALEN SOLAR II, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS LARGE GENERATOR INTERCONNECTION AGREEMENT (“LGIA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_, by and among Palen Solar II, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“**Interconnection Customer**”), Southern California Edison Company, 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(or Affiliates thereof) 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**~~

~~**Abandoned Plant Approval** shall mean a FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such facilities are abandoned due to circumstances outside the Participating TO's control.~~

~~**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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~\_\_\_\_\_ **Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current~~

~~**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 Y.~~

~~**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.~~

~~**Partial Termination** shall refer to termination of this LGIA as described in Article 2.4.4 where i) this LGIA shall be terminated under Article 2.4.4 only with respect to one or more Electric Generating Units of a Phased Generating Facility; ii) this LGIA shall continue to remain in force and effect with respect to the first Electric Generating Unit to be placed into service and any subsequent Electric Generating Units of the Phased Generating Facility that are not the subject of the Partial Termination, and iii) no disconnection shall occur with respect to those phases of or Electric Generating Units within the Phased Generating Facility that are not terminated.~~

~~**Partial Termination Charge** shall mean that sum paid by the Interconnection Customer upon Partial Termination as provided for in Article 2.4.4.~~

~~**Partial Termination Charge Security** shall mean a form of security, issued in favor of the CAISO, naming the CAISO as the beneficiary for an amount equal to the maximum Partial Termination Charge that may become payable upon Partial Termination as provided for in Article 2.4.4. The Partial Termination Charge Security shall be in a form determined to be acceptable by the CAISO, of the type listed in CAISO Cluster LGIP (CAISO Tariff Appendix Y) Section 9.1 (a)–(f), but which security shall be held in favor of the CAISO. Partial Termination Charge Security is separate and distinct from the Interconnection Financial Security.~~

~~**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.~~

~~**Phased Generating Facility** shall mean a Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive phases that are specified in this LGIA, such that each phase comprises a portion of the total megawatt generation capacity of the entire Generating Facility.~~

~~**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.~~

~~**Transmission Revenue Balancing Account** shall have the meaning set forth in Appendix A of the CAISO Tariff.~~

## ~~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 ten (10) years from the Effective Date 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.~~

~~**2.3.5** **Partial Termination.** The Parties have included within this LGIA a provision for Partial Termination of this LGIA, the terms of which are set forth in Article 2.4.4. Notwithstanding any other term of this LGIA, Partial Termination shall be determined to have occurred in any and all circumstances where (i) one or more phases or Electric Generating Units for which the Interconnection Customer has secured Partial Termination eligibility are terminated, and (ii) this LGIA has not been terminated in its entirety and (iii) all phases or Electric Generating Units have not been disconnected pursuant to Article 2.5.~~

~~**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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges. 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.~~

~~(a) — *Interrelationship of Abandoned Plant Approval and Termination Costs.* If the Participating TO is granted Abandoned Plant Approval, then the Interconnection Customer shall not be responsible for any termination costs for the Network Upgrades that SCE will upfront finance. The Parties acknowledge and agree that the Partial Termination Charge does not apply in situations of termination of this LGIA in its entirety, and no reduction of the Partial Termination Charge shall be made by reason of Abandoned Plant Approval.~~

~~(b) — *Interrelationship of Termination of the Entire LGIA under Article 2.4 and Partial Termination under 2.4.4.* Nothing in this Article 2.4 shall limit the operation of those provisions pertaining to Partial Termination or the Partial Termination Charge contained in Article 2.4.4. In the event of Partial Termination, the provisions of Article 2.4.4 shall govern.~~

~~**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.~~

~~**2.4.4 Partial Termination.** The Parties agree that this LGIA shall provide for Partial Termination on the terms and conditions of this Article 2.4.4. This Article 2.4.4 shall apply only in the event of Partial Termination and shall not apply if this LGIA is terminated with respect to the entire Generating Facility. Partial Termination shall be deemed to have occurred, and the terms of this Article 2.4.4 shall apply in any and all situations of termination under this LGIA where the LGIA is not terminated in its entirety with the corresponding disconnection of all Electric Generating Units or phases of the Generating Facility that are the subject of this LGIA; provided, however, that Partial Termination may occur only with respect to those Electric Generating Units for which the Interconnection Customer has previously provided Partial Termination Charge Security, such that no Partial Termination of an Electric Generating Unit may occur for which the Partial Termination right has not been secured.~~

~~**2.4.4.1** Except as set forth in Appendix A, Section 14, Table 2B, in the event of Partial Termination, the Interconnection Customer shall pay a Partial~~

~~Termination Charge. The Partial Termination Charge shall be payable to the CAISO and shall be secured by the Partial Termination Charge Security. The amount of the Partial Termination Charge shall be an amount equal to the product of ten percent (10%) of the dollar amount of the Interconnection Customer's cost responsibility for the Network Upgrades in the absence of Participating TO upfront funding for the entire Phased Generating Facility times (multiplied by) the ratio of the megawatt capacity of the portion of the Phased Generating Facility that is terminated to the megawatt capacity of the entire Phased Generating Facility. The following specific items related to Partial Termination are set forth in Appendix A, Section 12: the amount of the Partial Termination Charge and Partial Termination Charge Security; the timing for posting of the security, and the details for reduction of the security for Electric Generating Units that achieve Commercial Operation prior to Partial Termination.~~

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~~**2.4.4.2** Partial Termination may be exercised following the delivery of the Partial Termination Charge Security for the Electric Generating Units for which the Interconnection Customer has elected to make the Partial Termination available either: (i) at the option of the Interconnection Customer, exercisable in its sole discretion; or, (ii) at the mutual discretion of the Participating TO's and the CAISO, upon the failure of the Interconnection Customer to meet any of the milestones set forth in Appendix A, subject to the terms and conditions of Appendix A, Section 14(d)(ii). The notice referenced in this Article may run concurrently with any other notice provided by the Party under this LGIA (including notices pertaining to Default, or failure to meet milestones relating to decision points) and shall not provide the noticed Parties with any additional period of time for cure in such other notices.~~

~~**2.4.4.3** Upon written notice by either (i) the Interconnection Customer to the other Parties; or (ii) the Participating TO and the CAISO to the Interconnection Customer; that the noticing Party has invoked Partial Termination, the Partial Termination Charge shall become immediately due and owing, and the CAISO shall liquidate the Partial Termination Charge Security for collection of the applicable~~

Partial Termination Charge, and apply the Partial Termination funds as specified in Section 2.4.4.5:

~~2.4.4.4~~ Upon Partial Termination, the Parties shall amend this LGIA to remove from this LGIA the terms and conditions specifying continuing rights and obligations of the Parties with respect to the applicable Electric Generating Unit(s) of the Phased Generating Facility which have been the subject of the Partial Termination, and to specify the continuing rights and obligations of the Parties with respect to the Electric Generating Units which remain the subject of the LGIA. The amended LGIA shall reflect that the Parties have partially terminated the LGIA as to the terminated Electric Generating Unit(s), but not as to any provisions relevant to the Electric Generating Unit(s) for which Partial Termination has not been exercised. The amended LGIA shall further reflect the lower generation capacity of the Generating Facility in its new condition following Partial Termination, and, to the extent that the interconnection configuration that has been modified as a result of the Partial Termination, shall set forth the modified configuration in the amended and restated Appendices to this LGIA.

~~2.4.4.5~~ After written notice of Partial Termination under Article 2.4.4.5, and the expiration of any opportunity to cure relating to any concurrent notices (such as notices of Default or notices relating to milestones and decision points) the CAISO shall cause the Partial Termination Charge funds to be applied and disbursed in such a manner as to cause a credit toward the Transmission Revenue Balancing Account ("TRBA") of the Participating TO. The Parties agree to cooperate and execute such agreements and undertake such actions as may be necessary to apply the funds to credit this account.

~~2.4.4.6~~ If this LGIA is terminated in its entirety prior to any event of Partial Termination, then any Partial Termination Charge Security which was provided to the CAISO prior to the Partial Termination shall be returned to the Interconnection Customer. The Parties acknowledge that there could be a situation

~~where the LGIA was partially terminated in one transaction, followed by a termination of the entire LGIA in a subsequent transaction, in that event, the amount of Partial Termination Charge Security associated with such previous Partial Termination shall not be returned to the Interconnection Customer.~~

~~**2.4.4.7** In the event of Partial Termination, the Partial Termination Charge and application of such charge as a credit to the Participating TO's TRBA shall serve as the recourse of the CAISO and the Participating TO for any costs associated with the Network Upgrades that are the subject of upfront financing by the Participating TO as described in this LGIA, and the Interconnection Customer shall not be responsible for payment to the CAISO or the Participating TO for any further costs, charges or expenses attributable to the Network Upgrades that the Participating TO is obligated to finance as described in this LGIA by virtue of its commitment to provide upfront financing.~~

~~**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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

~~However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades for which~~

~~the Participating TO has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Participating TO to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.~~

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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. No as-built drawings will be provided.~~

~~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 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.** For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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. Asynchronous Generating Facilities shall be subject to frequency ride-through capability requirements in accordance with Appendix H to this LGIA.~~

### ~~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 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.

~~Palen Solar II, LLC~~

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

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

Date: December 14, 2010 \_\_\_\_\_

~~Southern California Edison Company~~

By: David Mead \_\_\_\_\_

Title: Vice President \_\_\_\_\_

Date: December 13, 2010 \_\_\_\_\_

~~California Independent System Operator Corporation~~

By: Steve Berberich

Title: Vice President & Chief Operating Officer

Date: December 14, 2010

## **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 an Asynchronous Generating Facility Wind Generating Plant~~

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**Appendix A**  
**To LGIA**

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

**Recitals to Appendix A**

A. \_\_\_\_\_ The Participating TO's Interconnection Facilities, Network Upgrades and Distribution Upgrades described herein are based on the Participating TO's preliminary engineering and design and are subject to modification to reflect the actual facilities that will be constructed and installed following the Participating TO's final engineering and design, identification of field conditions, compliance with applicable environmental and permitting requirements, and the Interconnection Customer's determination to proceed with the proposed Generating Facility as originally promised in the Interconnection Customer's Interconnection Request ("Interconnection Request").

B. \_\_\_\_\_ The Interconnection Customer proposed, in its Interconnection Request, to construct a solar thermal Generating Facility to be known as Palen Solar Project, now identified as and referred to herein as "Palen Solar Power Project", with a maximum net output of 500 MW, consisting of two Electric Generating Units, each rated at 250MW. The Interconnection Customer requested a Commercial Operation Date of July 1, 2013 for the entire Generating Facility in the Interconnection Request. Further, the Interconnection Customer requested a full capacity deliverability status interconnection. The Interconnection Request is being handled along with several other interconnection requests, as part of the CAISO's "Eastern Bulk System Cluster" ("Cluster").

C. \_\_\_\_\_ The Phase II Interconnection Study applicable to the Cluster determined that the Participating TO cannot construct the facilities to meet the

~~full deliverability requests of the Cluster until 2017. In response to this information, the CAISO, the Participating TO, and the Interconnection Customer have agreed to permit the Interconnection Customer to construct the two Electric Generating Units in 2017 in a manner that matches the construction of the anticipated transmission upgrades and the corresponding availability of transmission necessary for each unit and therefore has proposed to include within this LGIA provisions for Partial Termination as described in Article 2.4.4 of this LGIA. The Interconnection Customer understands that full capacity deliverability status will be determined pursuant to applicable CAISO procedures and that such status is not assured until 2017.~~

#### ~~Operative Provisions of Appendix A~~

##### ~~1. Interconnection Facilities:~~

##### ~~a. Interconnection Customer's Interconnection Facilities. The Interconnection Customer shall-~~

- ~~i. Construct a new 220 kV single circuit tower line from the Palen Solar Power Project to Participating TO's planned Red Bluff 500/220 kV Substation ("Generation Tie-Line"). The right-of-way for this 220 kV single circuit tower line must extend up to the edge of the Red Bluff Substation property line.~~
- ~~ii. Install one Generation Tie-Line circuit from the Palen Solar Power Project to the last structure outside the Red Bluff Substation property line. The single circuit tower line must be equipped with optical ground wire ("OPGW") to provide one of the two telecommunication paths required for the line protection scheme and the SPS. The cost of the OPGW will be included in the cost of the 220 kV single circuit tower line which will be installed by the Interconnection Customer.~~

- ~~iii. Make available adequate space and facilities necessary for the installation of the Participating TO's Remote Terminal Unit ("RTU").~~
- ~~iv. Install new All Dielectric Self Supported ("ADSS") fiber optic cable from the Red Bluff Substation to the Generating Facility to meet the diverse routing requirements for the 220 kV Generation Tie-Line protection.~~
- ~~v. Allow Participating TO to review customer fiber-optic cable design and perform inspection to ensure compatibility with Participating TO's terminal equipment and protection engineering requirements for diverse path communication routing.~~
- ~~vi. Allow Participating TO to perform acceptance testing of fiber-optic cables and give the Participating TO the right to request and/or to perform correction of installation deficiencies as determined by the Participating TO. Provide all required CAISO approved metering equipment for the Electrical Generating Units at the Generating Facility.~~
- ~~vii. Grant Participating TO an easement that will provide unrestricted access to Participating TO's Interconnection Facilities located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.~~
- ~~viii. Install all required revenue metering equipment to meter the Generating Facility's Electrical Generating Units' retail load, as specified by SCE.~~
- ~~ix. Install the following Generation Tie-Line protection at the Generating Facility as specified by SCE and provided by the Interconnection Customer:
  - ~~• One GE L90 current differential relay with telecommunication channel to Red Bluff Substation via the 220kV Generation Tie-Line OPGW; and,~~
  - ~~• One SEL 311L current differential relay with telecommunication channel to Red Bluff Substation via the 220kV Generation Tie-Line OPGW.~~~~
- ~~b. **Participating TO's Interconnection Facilities.** The Participating TO shall—~~

#### ~~1. Generation Tie-Line:~~

~~Install one 220kV dead end structure, two (exact number to be specified by SCE based on planned configuration) spans of conductors, OPGW, and twelve (exact number to be specified by SCE based on planned configuration) dead end insulator / hardware assemblies between the last Interconnection Customer-owned single circuit structure and the substation dead end rack at the Red Bluff 220kV switchyard.~~

#### ~~2. Red Bluff Substation:~~

~~Install the following facilities to terminate the new 220 kV Generation Tie-Line:~~

- ~~• One dead end structure (60 feet high x 50 feet wide) — exact dimensions may be changed by SCE~~
- ~~• One dedicated double breaker position~~
- ~~• Three 220kV coupling capacitor voltage transformers~~
- ~~• One GE L90 current differential relay with telecommunication channel to the Generating Facility via the 220kV Generation Tie-Line OPGW.~~
- ~~• One SEL 311L current differential relay with telecommunication channel to the Generating Facility via the 220kV Generating Tie-Line OPGW~~

#### ~~3. Metering Services:~~

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

#### ~~4. Power System Control:~~

~~Install one (1) RTU at the Generation Facility to monitor typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit as well as the plant auxiliary load. This information will be transmitted~~

~~to the SCE Grid Control Center. Notwithstanding that the RTU will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities.~~

~~5. Telecommunications:~~

- ~~• Install all Dielectric Self Supported (ADSS fiber optic cable from the Red Bluff Substation to the Palen Generating Facility to meet the diverse routing requirements for the Generation Tie-Line protection and SPS relays.~~

~~Notwithstanding that the ADSS fiber optic cable will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the ADSS fiber optic cable as part of the Participating TO's Interconnection Facilities.~~

- ~~• Install all required light-wave, channel and related terminal equipment to support the Generation Tie-Line protection. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

- ~~• Install underground vaults, risers, conduits, and cable as required at the Red Bluff Substation to complete all terminations.~~

~~6. Real Properties, Transmission Project Licensing, and Environmental Health and Safety:~~

~~Perform all required functions to obtain land easements and/or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the telecommunications between the Generating Facility and Red Bluff Substation including the Participating TO's portion of the Generation Tie-Line.~~

~~2. Network Upgrades:~~

a. ~~Stand Alone Network Upgrades: None.~~

b. ~~Other Network Upgrades:~~

i. ~~Participating TO's Reliability Network Upgrades:~~

~~The Participating TO shall:~~

1. ~~Terminate the Generation Tie-Line at Red Bluff Substation.~~

a. ~~Red Bluff Substation~~

i. ~~Install the following equipment for a dedicated 220kV double breaker line position on a breaker and a half configuration to terminate the Generation Tie-Line:~~

• ~~One 220kV 3000A – 50kA circuit breakers~~

• ~~Two 220kV 3000A – 80kA horizontal-mounted group-operated disconnect switches~~

• ~~One grounding switch attachment~~

• ~~Eighteen (exact number to be specified by SCE based on planned configuration) 220kV bus supports with associated steel pedestals~~

• ~~2-1590 kcmil ACSR~~

• ~~One GE C60 breaker management relays inside existing Control Room~~

ii. ~~Power System Control – Expand the RTU at Red Bluff Substation to install additional points required for the Generation Tie-Line.~~

2. ~~Loop the Colorado River Devers No.2 500kV Transmission Line into Red Bluff Substation forming the new Devers-Red Bluff No.2 and Colorado River-Red Bluff No.2 500 kV transmission lines. The work requires the following:~~

a. ~~Transmission~~

i. ~~Install approximately one circuit mile of 2B-2156 kcmil ACSR and OPGW~~

- ii. Install four (4) dead-end 500kV lattice steel structures
- iii. Install thirty (30) insulator/hardware assemblies
- b. Red Bluff 500/220kV Substation
  - i. Install two (2) new double breaker line positions within the 500 kV Switchyard to terminate the new Colorado River No. 2 and Devers No. 2 500 kV transmission lines
  - ii. Install the following protection relays in the control room
    - Four (4) GE C60 breaker management relays
    - Two (2) GE D60 distance relays (digital communication channel)
    - Two (2) GE L90 current differential relay (digital communication channel)
    - Two (2) SEL-421 current differential relay with RFL 9780 on Programmable Logic Controller Circuits (“PLCC”)
    - Two (2) additional RFL 9780 direct transfer trip on PLCC
    - Two (2) RFL 9745 direct transfer trip on PLCC
- 3. Expand the Colorado River Substation, previously configured as only a 500kV switchyard, to 500/220kV substation by installing one 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions and installing a new 220kV switchyard. This upgrade, which is required for the interconnection of Eastern Bulk System cluster projects, need not be in service for the Generating Facility to start operation and be deemed fully deliverable. The need for the Colorado River Substation is not triggered by the Palen Solar Power Project but is included for information purposes only as this is an identified network upgrade in the Eastern Bulk Cluster.
  - a. Colorado River 1 AA 500/220 kV transformer bank 500 kV Position – Install the following equipment for a double breaker bank position on a breaker and a half configuration
    - One (1) 108 feet high by 90 feet wide dead-end structure
    - Two (2) 500kV-4000A-50kA circuit breakers

- ~~Four (4) 500kV horizontal-mounted group-operated disconnect switches, one of them equipped with grounding attachments~~
- ~~Fifteen (15) 500kV bus supports~~
- ~~2B-1590 kcmil ACSR~~
- b. ~~Colorado River 1 AA 500/220-kV Transformer Bank~~  
~~Install one 1120 MVA 500/220kV Transformer Bank as follows:~~
  - ~~Four (4) 373MVA 500/161-220kV single-phase units, including one spare unit~~
  - ~~Three (3) 500kV surge arresters~~
  - ~~Three (3) 220kV surge arresters~~
  - ~~One (1) standard seven-position transformer structure with all the required 500kV and 220kV bus-work to allow for the grounded wye/delta connection of the single-phase units and placement of the spare unit~~
  - ~~One (1) 13.8kV tertiary bus equipped as follows:~~
    - ~~Five (5) 13.8kV-2000A-17kA circuit breakers~~
    - ~~Fifteen (15) 13.8kV hook-stick disconnect switches~~
    - ~~Five (5) 13.8 kV 45MVAR reactors~~
    - ~~One (1) ground bank detector (3-5MVA 14400-120/240v transformers)~~
    - ~~One (1) 14400-120V voltmeter potential transformer~~
    - ~~One (1) voltmeter~~
    - ~~Three (3) 40E standard size 4 S&C type fuses~~
  - ~~Approximately 700 circuit feet of 2B-1590 kcmil ACSR for the 500kV and 220kV transformer leads~~
- c. ~~Colorado River 220kV Switchyard~~
- i. ~~Operating Buses~~ – Install the following equipment required for a new 220kV switchyard:
  - ~~Six (6) 60 feet high x 90 feet wide bus dead-end structures~~
  - ~~Twenty-four (24) bus dead-end insulator assemblies~~
  - ~~Six (6) 220kV potential devices~~

- ~~Approximately 920 circuit feet of 2B-1590 kcmil ACSR for the bus~~
- ii. ~~Colorado River 1 AA 500/220 kV transformer bank 220 kV Position - Install the following equipment for a double breaker bank position on a breaker-and-a-half configuration:~~
  - ~~One (1) 80 feet high by 50 feet wide dead-end structure~~
  - ~~Two (2) 220kV 3000A-50kA circuit breakers~~
  - ~~Four (4) 220kV 3000A-80kA horizontal-mounted group-operated disconnect switches~~
  - ~~One (1) grounding switch attachment~~
  - ~~Eighteen 220kV bus supports with associated steel pedestals~~
  - ~~2B-1590 kcmil ACSR~~
- d. ~~Control Room – Install the following protection relays for the No. 1AA 500/220kV transformer banks:~~
  - ~~Four (4) GE C60 breaker management relays~~
  - ~~One (1) GE T60 bank differential relay~~
  - ~~One (1) SEL-387 bank differential relay~~
  - ~~Four (4) GE C30 sudden pressure aux relay~~
  - ~~Five (5) GE F60 reactor bank relays (one per reactor)~~
  - ~~Two (2) SEL-351 ground detector bank relay~~
  - ~~Twelve (12) GE SBD11B 220kV bus differential relays~~
- 4. ~~Upgrade the Mira Loma-Vista No.2 220kV Transmission Line drops at Vista Substation.~~
  - a. ~~Vista Substation – replace the existing 2B-1033 kcmil ACSR on the Mira Loma No.2 220 kV line position at Vista Substation with new 2B-1590 kcmil ACSR.~~
- 5. ~~New SPS to trip generation under simultaneous outage of the Devers-Red Bluff No.1 and No.2 500 kV transmission lines.~~
  - a. ~~Devers Substation~~
    - i. ~~SPS Relays~~

- Install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring
- Install one (1) SEL-2407 satellite synchronized clock
- ii. Telecommunications — install two (2) channel banks (one each for SPS A and SPS B) to support the SPS
- iii. Power Systems Control — expand the RTU at Devers to install additional points required to support the SPS
  - b. Red Bluff Substation
    - i. SPS Relays
      - Install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring
      - Install one (1) SEL-2407 satellite synchronized clock
    - ii. Power Systems Control — expand the RTU at Red Bluff to install additional points required to support the SPS
  - c. Colorado River Substation
    - i. SPS Relays
      - Install four (4) N60 relays (two each for SPS A and SPS B) for logic central processing and sending of tripping signals to generators
      - Install one (1) SEL-2407 satellite synchronized clock
    - ii. Power Systems Control — install dual RTUs for SPS arming, control, status and alarm indications at Colorado River Substation.
- 6. New SPS to trip generation connected to Colorado River Substation under either No.1 AA or No.2 AA transformer bank single contingency. This upgrade which is required for the interconnection of Eastern Bulk System cluster projects, need not be in service for the Generating Facility to start operation and be deemed fully deliverable.
  - a. Colorado River Substation
    - i. Install four (4) N60 relays (two each for SPS A and SPS B) for banks monitoring
    - ii.

ii. ~~Participating TO's Delivery Network Upgrades: The Participating TO shall implement the following Delivery Network Upgrades:~~

~~1. West of Devers Upgrades— Upgrade the following existing 220kV transmission lines to 3,000A rating by replacing all conductors with new 2-1590 kcmil ACSR per phase, upgrading towers to support larger conductor where necessary and replacing all substations' terminal equipment with 3,000A rated elements. Components of this upgrade consist of—~~

~~• Devers — San Bernardino No.1 220kV Transmission Line —43 circuit miles~~

~~• Devers — San Bernardino No.2 220kV Transmission Line —43 circuit miles~~

~~• Devers — Vista No.1 220kV Transmission Line — 45 circuit miles~~

~~• Devers — Vista No.2 220kV Transmission Line —45 circuit miles~~

~~• Devers Substation: Upgrade four 220kV line positions~~

~~• San Bernardino G.S.: Upgrade two 220kV line positions~~

~~• Vista Substation: Upgrade two 220kV line positions~~

~~Note: Prior to this upgrade the Devers-San Bernardino No. 2 220kV Transmission Line will be looped into the new El Casco Substation forming the two new Devers-El Casco and El Casco-San Bernardino 220kV Transmission Lines. After such line re-configuration, the Devers — San Bernardino No.1 220kV Transmission Line will be re-named Devers — San Bernardino 220kV Transmission Line. The Devers and San Bernardino 220kV line positions at the new El Casco Substation will be rated 3,000A and will not require any upgrades.~~

~~2. Colorado River Substation Expansion— Installation of the No. 2 AA 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions. This upgrade which is required for the delivery of Eastern Bulk System cluster projects, need not be in service for the Generating Facility to start operation and be deemed fully deliverable. The component of this upgrade are as follows:~~

a. ~~Colorado River 2 AA 500/220 kV transformer bank 500 kV Position~~— Install the following equipment on a two-breaker line position to expand to a three-breaker line / bank position as required to connect the No. 2 AA transformer bank

- ~~one (1) 108 ft. high x 90 ft. wide dead-end structure~~
- ~~one (1) 500kV 4000A-50kA circuit breaker~~
- ~~two (2) 500kV 4000A-80kA horizontal-mounted group-operated disconnect switches~~
- ~~one (1) grounding switch attachment~~
- ~~remove twelve (12) 500kV bus supports and corresponding steel pedestals and foundations~~

b. ~~Colorado River 2AA 500/220 kV Transformer Bank~~— Install one 1120MVA 500/161-220kV Transformer Bank as follows:

- ~~three (3) 373MVA 500/161-220kV single-phase units~~
- ~~three (3) 500kV surge arresters~~
- ~~three (2) 220kV surge arresters~~
- ~~one (1) 13.8kV tertiary bus equipped as follows:~~
  - ~~five (5) 13.8kV-2000A-17kA circuit breakers~~
  - ~~fifteen (15) 13.8kV hook-stick disconnect switches~~
  - ~~five (5) 13.8 kV 45MVAR reactors~~
  - ~~one (1) ground bank detector (3-5MVA 14400-120/240v transformers)~~
    - ~~one (1) 14400-120V voltmeter potential transformer~~
    - ~~one (1) voltmeter~~
    - ~~three (3) 40E standard size 4 S&C type fuses~~
- ~~approximately 700 circuit ft. of 2B-1590 kemil ACSR conductors for the 500kV and 220kV transformer leads~~

c. ~~Colorado River 220kV Switchyard~~— Install the following equipment for a double breaker bank position on a breaker and a half configuration to connect the No. 2 AA 500/220kV transformer bank:

i. ~~Colorado River 2 AA 500/220 kV transformer bank 220 kV Position – Install the following equipment on a two-breaker line position to expand to a three-breaker line / bank position as required to connect the No. 2 AA transformer bank~~

- ~~• one (1) 80 ft. high by 50 ft. wide dead-end structure~~
- ~~• two (2) 220kV 3000A-50kA circuit breakers~~
- ~~• four (4) 220kV 3000A-80kA horizontal-mounted group-operated disconnect switches~~
- ~~• one (1) grounding switch attachment~~
- ~~• eighteen 220kV bus supports with associated steel pedestals~~
- ~~• 2B-1590 kcmil ACSR conductors~~
- ~~• Control Room – Install the following protection relays for the~~

d. ~~Control Room – Install the following protection relays for the No. 2 AA 500/220kV transformer banks:~~

- ~~• four (4) GE C60 breaker management relays~~
- ~~• one (1) GE T60 bank differential relay~~
- ~~• one (1) SEL-387 bank differential relay~~
- ~~• three (3) GE C30 sudden pressure aux relay~~
- ~~• five (5) GE F60 reactor bank relays (one per reactor)~~
- ~~• two (2) SEL-351 ground detector bank relay~~
- ~~• twelve (12) GE SBD11B 220kV bus differential relays~~

3. ~~Real Properties, Transmission Project Licensing, and Environmental Health and Safety:~~

a. ~~Perform all required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the Participating TO's Delivery Network Upgrades.~~

~~3. \_\_\_\_\_ **Distribution Upgrades:** None~~

~~4. \_\_\_\_\_ Not Used~~

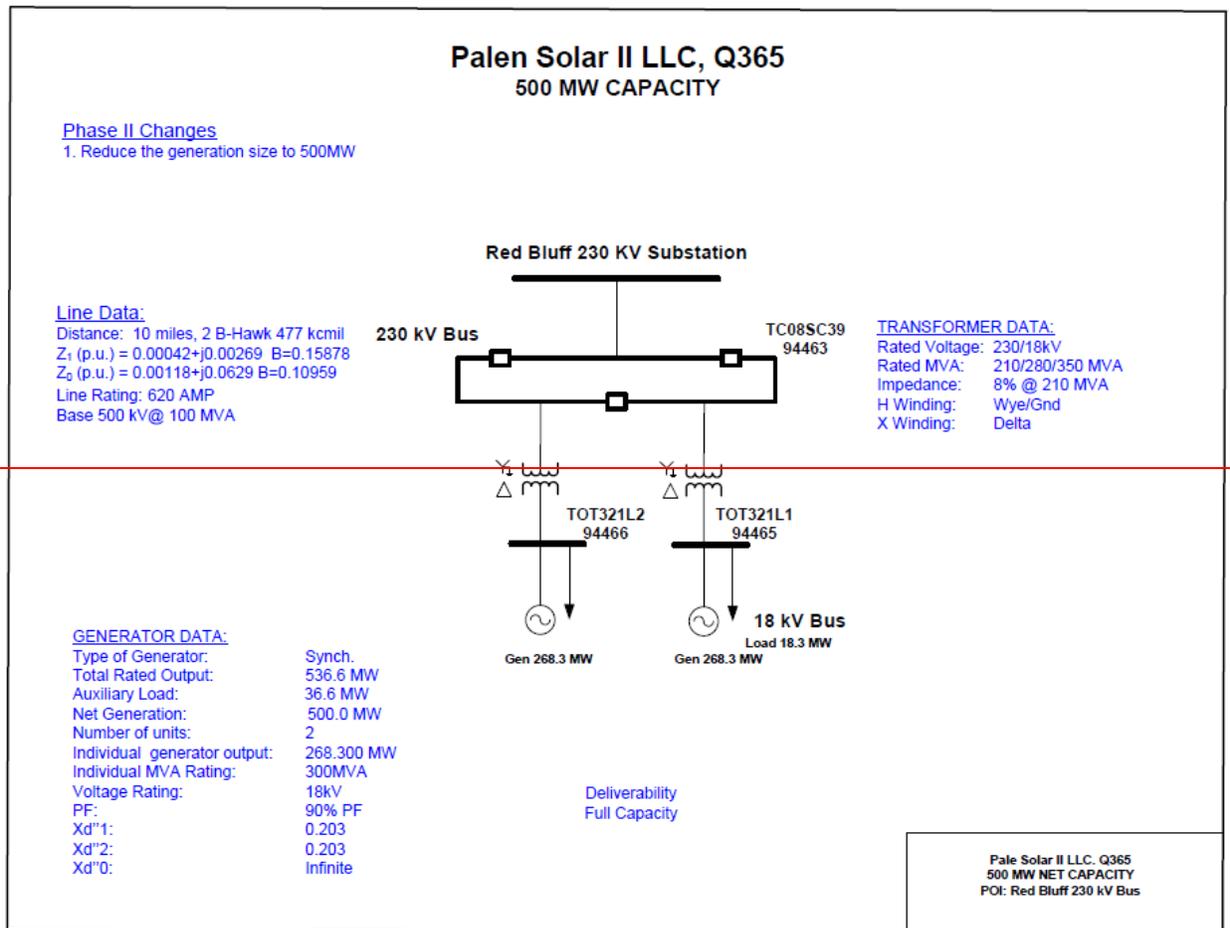
~~5. \_\_\_\_\_ **Point of Change of Ownership:**~~

~~a. \_\_\_\_\_ **Generation Tie-Line:** The Point of Change of Ownership shall be the point where the conductors of the Generation Tie-Line are attached to the first structure located directly outside the Red Bluff Substation property line. This will be on the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, including the jumper loop. The Participating TO shall own and maintain the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure, and all structures and conductors from that point into the Red Bluff Substation.~~

~~b. \_\_\_\_\_ **Telecommunication OPGW:** The Point of Change of Ownership shall be the point where the OPGW of the Generation Tie-Line is attached to the first structure located directly outside the Red Bluff Substation property line.~~

~~6. \_\_\_\_\_ **Point of Interconnection:** The Participating TO's Red Bluff Substation at the 220kV bus.~~

**One-Line Diagram of Interconnection to Red Bluff Substation:**



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

~~a. Accounting Practice: Generally Accepted Accounting Principles in the United States consistently applied to electric utility operations~~

~~b. Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~c. Cluster: Shall have the meaning ascribed in Appendix A — Recitals to Appendix A.~~

~~d. 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.~~

e. ~~CPUC: The California Public Utilities Commission, or its regulatory successor.~~

f. ~~Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

g. ~~Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Appendix A, Section 17.~~

h. ~~Delivery Network Upgrades Cost: The Interconnection Customer's share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Appendix A, Section 16.~~

i. ~~Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Appendix A, Section 18.~~

j. ~~Distribution Upgrades Cost: All costs, excluding ITGG and One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Appendix A, Section 16.~~

k. ~~Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and the associated One-Time Cost. The Distribution Upgrades Payment is provided in Appendix A, Section 18.~~

~~l. Financial Close: The close of debt and equity (including tax equity, subordinated, preferred, mezzanine or bridge financing) financing then-anticipated to be sufficient to fully construct a corresponding Electric Generating Unit, as applicable.~~

~~m. Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Appendix A, Section 17.~~

~~n. Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~o. Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Appendix A, Section 16.~~

~~p. Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Appendix A, Section 18.~~

~~q. ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost~~

and Interconnection Facilities Cost is described in Appendix A, Section 11 and is shown in Appendix A, Section 16.

r. ~~One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.~~

s. ~~Palen Solar Power Project: Interconnection Customer's (or its affiliates') 500 MW solar thermal generating facility.~~

t. ~~Palen Solar 220kV Switchyard: The Interconnection Customer's (or its Affiliates') 220kV switchyard to be located near Desert Center, California in close proximity to the Red Bluff Substation. The Palen Solar 220kV Switchyard will be configured in a bus-tie breaker mode and will connect each Electric Generating Unit.~~

u. ~~Red Bluff Substation: Participating TO's proposed 500/220kV substation near Desert Center, California to which the Devers-Palo Verde 500kV and Participating TO's proposed Colorado River-Red Bluff No. 2 500kV line will be looped in. The Red Bluff Substation is expected to be located near Desert Center in Riverside County, California.~~

v. ~~Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Appendix A, Section 16.~~

w. ~~Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Appendix A, Section 18.~~

x. ~~Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

y. ~~Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

z. ~~Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

**8. ~~Transmission Credits:~~**

~~Subject to Appendix A, Section 14(d), no Congestion Revenue Rights or repayment will be made pursuant to Articles 11.4 and 11.4.1 of the LGIA because this LGIA assumes that the Participating TO will up-front finance the Network Upgrades described in Appendix A, Section 2.~~

**9. ~~Security Amount for the Distribution Upgrades, Participating TO's Interconnection Facilities and Network Upgrades:~~**

a. ~~Distribution Upgrades: Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$0 to cover the costs for constructing, procuring and installing the Participating TO's Distribution Upgrades.~~

~~b. \_\_\_\_\_ Participating TO's Interconnection Facilities: Pursuant to Section 9 of the LGIP, Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$1,859,700 for the second posting and \$6,199,000 (including the amount of the second posting) for the third posting to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~c. \_\_\_\_\_ Network Upgrades: Pursuant to Appendix A, Section 14(d), the Participating TO has committed to finance all Network Upgrades for the Cluster, subject to receiving Abandoned Plant Approval. Pursuant to the Federal Energy Regulatory Commission's Order Granting Waiver of Tariff Provisions in Docket No. ER10-1656-000, issued August 13, 2010, Interconnection Customer's second and third security postings are waived until such time as FERC renders a decision on whether to grant Abandoned Plant Approval, which waiver shall remain in effect in the event Abandoned Plant Approval is granted, so long as Interconnection Customer is current with all milestones as provided in Appendix A, Section 14(d), Table 1 of this LGIA. To the extent the Interconnection Customer has provided Credit Support related to the Network Upgrades prior to a determination of Abandoned Plant Approval, such Credit Support shall be released within thirty (30) Calendar Days following the Participating TO's receipt of Abandoned Plant Approval.~~

~~d. \_\_\_\_\_ Participating TO's ability to draw on the Credit Support shall be governed by Appendix A, Section 14(d).~~

~~**10. \_\_\_\_\_ Security Amount for Estimated Tax Liability:**  
Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~(Current Tax Rate x (Gross Income Amount — Present Value of Tax Depreciation))/(1 — Current Tax Rate) = 35%~~

~~Estimated tax liability for Participating TO's Interconnection Facilities = 35% \*  
(Interconnection Facilities Cost + Distribution Upgrades Cost) = 35% \* (\$6,199,000) =  
\$2,169,650~~

~~Interconnection Facilities Cost = \$6,199,000~~

~~Distribution Upgrades Cost = \$0~~

~~Based upon the total estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$2,169,650, pursuant to Article 5.17.3 and Appendix B of the LGIA.~~

~~11. **Security Amount for Partial Termination Charge:**~~

~~a. **Amount:** The amount of the Partial Termination Charge Security shall equal \$5,740,600 if the Interconnection Customer elects to be eligible for Partial Termination of the second 250 MW Electric Generating Unit. With respect to the Phased Generating Facility, Interconnection Customer shall be entitled (upon providing the Partial Termination Security to the CAISO) to secure Partial Termination rights with respect to Electric Generating Unit 2, for a maximum Partial Termination Charge Security of \$5,740,600. The Parties acknowledge that Partial Termination shall not be available for Electric Generating Unit 1, and that Electric Generating Unit 1 shall not be the subject of a Partial Termination pursuant to this LGIA.~~

~~b. **Timing for Posting of Partial Termination Charge**~~

~~**Security:** The entire amount of the Partial Termination Charge Security for Electric Generating Unit 2 shall be posted no later than thirty (30) Calendar Days following the later of (i) the Financial Close for Electric Generating Unit 1 or (ii) the Participating TO's final receipt of Abandoned Plant Approval; provided, however, that under no~~

~~circumstances shall the Partial Termination Charge Security be delivered after 5:00 PM Pacific Standard Time on January 7, 2015. In the event that the Interconnection Customer fails to timely post the Partial Termination Charge Security, then, as specified in Article 2.4.4, the provisions of this LGIA permitting Partial Termination shall not be operative and termination of this LGIA may only occur with respect to the entire Generating Facility.~~

~~c. **Release of Partial Termination Charge Security upon Achieving Commercial Operation of Electric Generating Unit 2:** Within fifteen (15) Calendar Days following Commercial Operation of the 250 MW Electric Generating Unit 2, the Partial Termination Charge Security shall be reduced to zero. If the Interconnection Customer had posted security in the form of a cash deposit, such cash funds shall be released and/or returned to the Interconnection Customer. If the Interconnection Customer posts another form of financial security of the type specified in CAISO Cluster LGIP (CAISO Tariff App. Y) Section 9.1, the Parties shall cooperate and execute such necessary documents as to release the Partial Termination Charge Security.~~

~~**12. Removal of the Participating TO's Interconnection Facilities and Distribution Upgrades:** Following termination of the LGIA in its entirety, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If~~

~~the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

~~13. \_\_\_\_\_~~ **Charges:**

~~a. \_\_\_\_\_ The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment (if applicable); (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment (if applicable); (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Appendix A, Section 15(g); (viii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Appendix A, Section 15(f); (ix) termination charges pursuant to Article 2.4 of the LGIA, provided that such charges shall not be applicable to the extent the costs associated with the Network Upgrades are subject to Abandoned Plant Approval received by the Participating TO; (x) disconnection costs pursuant to Article 2.5 of the LGIA; and (xi) suspension costs pursuant to Article 5.16 of the LGIA.~~

~~b. \_\_\_\_\_ The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~c. \_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to a need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time, and shall be subject to FERC's approval.~~

~~d. \_\_\_\_\_ The Participating TO commits to up-front finance the cost of the Network Upgrades including the associated One-Time Cost specifically identified in Appendix A, Section 2, contingent upon satisfactory receipt, as determined solely by the Participating TO, of the following:~~

~~i. \_\_\_\_\_ Abandoned Plant Approval: If Participating TO has not received Abandoned Plant Approval within six (6) months (or such longer period mutually agreed to by the Parties) of applying for such approval, the Parties will negotiate an amendment to this LGIA.~~

~~ii. \_\_\_\_\_ The continued achievement of the milestones and decision points, as described in Table 1 below, by the Interconnection Customer, as such milestones and decision points may be adjusted pursuant to Option 2 of Table 2b below or a suspension pursuant to Article 5.16 of this LGIA, provided that the Interconnection Customer may exercise suspension only if it is not Breach of the LGIA. The Interconnection Customer has agreed to the following condition limiting its ability to suspend work pursuant to Article 5.16 of this LGIA: if the Interconnection Customer has not achieved Commercial Operation of Electric Generating Unit 2 by the later of (i) ninety-six (96) months from the execution date of this LGIA or (ii) the in-service date of the Network Upgrades necessary to provide the entire Generating Facility with full deliverability (the "Outside Date"), the Participating TO shall have the right, upon sixty (60) Calendar Days prior written notice, to: (A) upon mutual determination of the CAISO and the Participating TO that an event of Partial Termination has occurred and notice of the same as provided for in Article 2.4.4.2, request that the CAISO liquidate the Partial Termination Charge Security applicable to Electric Generating Unit 2, and (B) terminate this LGIA solely with respect to the Electric Generating Unit 2 by the Outside Date, and apply the proceeds of the Partial Termination Charge as provided for in Article 2.4.4.5. The Outside Date shall be sixty-six (66) months from the execution date of this LGIA. If the Interconnection Customer has not commenced construction activities on Electric Generating Unit 2, within twelve (12) months from the Outside Date, the Participating TO may exercise the foregoing rights within such twelve (12) month period. In the event the Participating TO exercises the foregoing rights, the LGIA shall remain in full force~~

~~and effect with respect to each Electric Generating Unit that has achieved Commercial Operation prior to the Participating TO's exercise of its foregoing rights, and the Parties shall amend this LGIA to reflect the lower interconnection capacity.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO receives Abandoned Plant Approval Participating TO commences final engineering and design work on the Participating TO's Reliability Network Upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures the California Energy Commission Final Decision required for the construction of Electric Generating Units 1 &amp; 2</li> <li>Interconnection Customer has provided Interconnection Financial Security in accordance with Section 9 of the LGIP and applicable FERC orders.</li> </ul>
<p><b>DECISION POINT #1:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.</p>	
<b>Group 2 Milestones and Decision Point #2</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>

<ul style="list-style-type: none"> <li>● <del>Participating TO secures all discretionary permits, licenses, and property rights for the Participating TO's Interconnection Facilities and Participating TO's Reliability Network Upgrades.</del></li> </ul>	<ul style="list-style-type: none"> <li>● <del>Interconnection Customer secures all remaining discretionary permits, licenses, and property rights required for the construction of Electric Generating Units 1 &amp; 2</del></li> <li>● <del>Interconnection Customer secures final Site Exclusivity as defined in the LGIP.</del></li> </ul>
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~~DECISION POINT #2: Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Group 3 Milestones and Decision Point #3**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>● <del>Participating TO secures all discretionary permits, licenses, and property rights for the Participating TO's Delivery Network Upgrades.</del></li> <li>● <del>Participating TO commences Construction Activities of the Participating TO's Deliverability Delivery Network Upgrades.</del></li> </ul>	<ul style="list-style-type: none"> <li>● <del>Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor.</del></li> <li>● <del>Interconnection Customer secures Financial Close for one Electric Generating Unit.</del></li> <li>● <del>Interconnection Customer commences construction</del></li> </ul>

	activities of at least one Electric Generating Unit.
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~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification, which notification shall be no earlier than December 1, 2015. Parties exercise options as outlined in Table 2.~~

**Group 4 Milestones and Decision Point #4**

<del>Participating TO Milestone</del>	<del>Interconnection Customer Milestone</del>
<del>• Participating TO energizes the Participating TO's Delivery Network Upgrades, enabling Commercial Operation of Electric Generating Units 1 &amp; 2.</del>	<ul style="list-style-type: none"> <li><del>• Interconnection Customer achieves Initial Synchronization Date for at least one Electric Generating Unit.</del></li> <li><del>• Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of at least one Electric Generating Unit.</del></li> </ul>

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within seven months of the Participating TO's notification, which shall be no earlier than December 15, 2017. Parties exercise options as outlined in Table 2.~~

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO General Option: At each Decision Point, the Participating TO has the following options:*

~~At each Decision Point as set forth in Table 1 above and Section 14(d)(ii), if the Interconnection Customer is current in meeting its milestones set forth in Table 1 above and Section 14(d)(ii) (as such milestones may be adjusted due to the Interconnection Customer exercising Option 2 in Table 2B below), the Participating TO shall confirm its commitment, subject to Section 14(d)(i), to finance the Network Upgrades.~~

~~If the Interconnection Customer is not current in meeting its milestones as set forth in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising Option 2 in Table 2B below or its suspension rights under Article 5.16 of this LGIA), the Participating TO has the following options:~~

- ~~1. \_\_\_\_\_ Confirm its commitment to finance the applicable Network Upgrades (but have no obligation to do so).~~
- ~~2. \_\_\_\_\_ Discontinue its commitment to finance the applicable Network Upgrades, in which case the Parties shall negotiate amendments to this LGIA pursuant to the discussion in the Recitals to Appendix A and operative provisions of this Appendix A.~~
- ~~3. \_\_\_\_\_ Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement for the Electric Generating Units.~~
- ~~4. \_\_\_\_\_ Terminate this LGIA, subject to the termination and Partial Termination provisions of this LGIA.~~
- ~~5. \_\_\_\_\_ Other actions mutually agreeable to the Parties.~~

~~The Participating TO will provide written notification to the Interconnection~~

~~Customer of the option selected.~~

~~Table 2B—Interconnection Customer General Option: At each Decision Point, the Interconnection Customer has the following options:~~

~~At each Decision Point as set forth in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its non-binding intention to develop the Electric Generating Units for which the milestone has been met.~~

~~If the Participating TO is not current in meeting its milestones as set forth in Table 1 (as such milestones may be adjusted due to the Participating TO exercising Option 2 in Table 2a above), the Interconnection Customer has the following options:~~

~~1. \_\_\_\_\_ Continue to develop the Electric Generating Units for which the milestone has not been met (but have no obligation to do so).~~

~~2. \_\_\_\_\_ Adjust its milestones for the applicable Electric Generating Units in Table 1 above, on a day-for-day basis, as appropriate, to the Participating TO's new timetable(s).~~

~~3. \_\_\_\_\_ If the Participating TO is not current in meeting its milestones, the Interconnection Customer shall have the right to (1) terminate the LGIA in its entirety, with resulting disconnection of Electric Generating Unit 1, and cause the refund of any Partial Termination Charge Security in full to~~

~~Interconnection Customer, or (2) invoke Partial Termination of this LGIA with respect to Electric Generating Unit 2 pursuant to Article 2.4.4, provided that the Interconnection Customer has previously posted Partial Termination Charge Security for Unit 2.~~

~~4. \_\_\_\_\_ Terminate this LGIA, subject to the termination and Partial Termination provisions of this LGIA.~~

~~5. \_\_\_\_\_ Other actions mutually agreeable to the Parties.~~

~~The Interconnection Customer will provide written notification to both the CAISO and the Participating TO of the option selected.~~

~~If the Participating TO is unable to complete the Network Upgrades necessary to provide full deliverability to the entire Generating Facility, the Participating TO shall use commercially Reasonable Efforts to pursue alternatives to provide full deliverability to the entire Generating Facility.~~

~~If, within seventy-two (72) months of the Effective Date of the LGIA, the Participating TO has not (i) commenced construction of the West of Devers Network Upgrades or (ii) made commercially Reasonable Efforts to provide an alternative solution for ensuring timely full capacity deliverability status for the Generating Facility, and either (a) the Interconnection Customer (or an owner thereof who has signed the Joinder Agreement referred to in Appendix C, Section 7) is in default of a power purchase agreement or cannot perform under a power purchase agreement as a result thereof, or (b) the Parties otherwise reasonably agree that the Interconnection Customer (or any owner thereof who has signed the Joinder Agreement referred to in Appendix C, Section 7) has been harmed as a result of the Participating TO's failure to complete the West of Devers Network Upgrades (or otherwise provide full capacity deliverability status for the Generating Facility) in a timely manner, then the Interconnection Customer shall have the right to invoke a Partial Termination of this LGIA with respect to Electric Generating Unit 2 that the Interconnection Customer reasonably demonstrates to the other Parties~~

~~it is unable to construct. If Partial Termination is exercised under the terms of the foregoing sentence, the Participating TO and the CAISO shall return the Partial Termination Charge Security applicable to Electric Generating Unit 2 to the Interconnection Customer. Any Partial Termination exercised by the Interconnection Customer, other than in accordance with this paragraph, shall result in the CAISO and the Participating TO liquidating the Partial Termination Charge Security applicable to the terminated Electric Generating Unit 2 in accordance with Article 2.4.4.5 of this LGIA.~~

~~e. \_\_\_\_\_ The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 14(d) above shall be at the reasonable discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 14(d) above shall be at the reasonable discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 14(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~f. \_\_\_\_\_ The Participating TO is under no obligation to finance other network upgrades if the Network Upgrades are modified pursuant to the LGIP and such modification results in the Participating TO having to reaffirm Abandoned Plant Approval for the modified Network Upgrades. The Participating TO may seek reaffirmation of Abandoned Plant Approval for any modified Network Upgrades, at its sole discretion. If (i) the reaffirmation of Abandoned Plant Approval for the modified Network Upgrades is not reached within six (6) months (or such longer period mutually agreed to by the Parties) of applying for such reaffirmation, or (ii) the Participating TO does not seek reaffirmation of Abandoned Plant Approval, the Parties agree to amend this LGIA subject to the conditions described in the Recitals to Appendix A portion of this Appendix A. With the exception of Interconnection Customer exercising its Partial Termination rights pursuant to Article 2.4.4, if the Interconnection Customer does not~~

~~meet any one of the milestones specified in Table 1 under Section 14(d) above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above or its suspension rights under Article 5.16 of this LGIA), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. Each milestone in Table 1 of Section 14(d) shall be subject to the Force Majeure provisions of this LGIA.~~

~~g. \_\_\_\_\_ Notwithstanding anything to the contrary in Table 2A under Section 14(d), Interconnection Customer shall not be in Breach of this LGIA, and the Participating TO shall not have the right to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 14(d), provided that the Parties: (i) reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Network Upgrades; and (ii) reach agreement on such amendment within sixty (60) Calendar Days after Participating TO's notification of its having exercised option 2 or 4 under Appendix A, Section 14(d), Table 2A.~~

~~h. \_\_\_\_\_ Each Party shall provide the other Parties with a monthly status report, including all supporting documentation, to verify that Party's progress on the milestones outlined in Table 1 under Section 14(d) above.~~

~~i. \_\_\_\_\_ The Participating TO shall endeavor to file with FERC for Abandoned Plant Approval within sixty (60) Calendar Days of execution and filing of this LGIA.~~

~~j. \_\_\_\_\_ At no time will the Participating TO require payment from the Interconnection Customer for any Network Upgrades for which Abandoned Plant Approval has been obtained, provided that the costs of such Network Upgrades are incurred while the Interconnection Customer is current with meeting its development milestones pursuant to Section 14(d).~~

**15. ~~Supplemental Billing and Payment Provisions:~~**

~~a. Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~b. Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the applicable Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Appendix A, Section 16 of this LGIA, and shall be subject to later adjustment pursuant to Section 15(b)(i) and 15(b)(ii). The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~i. If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~ii. If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~e. In the event that any portion of Participating TO's Interconnection Facilities is not complete but, at the request of Interconnection Customer, Participating TO commences Interconnection Service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

~~d. In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~i. For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~ii. Except as provided in Section 8(d) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~iii. Except as provided in Section 8(d) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~e. As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~f. If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 13 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the~~

~~Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~g. \_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

**16. ~~Distribution Upgrades Cost, Reliability Network Upgrades Cost, Delivery Network Upgrades Cost and Interconnection Facilities Cost Summary:~~**

~~(All amounts listed in the following table are shown in nominal dollars (which are calculated using the 2010 dollars increased by the compounded rate of inflation for the year 2017 at 2.65% average rate)~~

~~Estimated Cost:~~

<del>Element</del>	<del>Interconnection Facilities Cost</del>	<del>Distribution Upgrade Costs</del>	<del>Plan of Service Reliability Network Upgrades Cost*</del>	<del>Delivery Network Upgrades Cost*</del>	<del>Reliability Network Upgrades Costs</del>	<del>One-Time Cost</del>	<del>ITCC*</del>
<del>PTO's Interconnection Facilities</del>	<del>\$6,014,000</del>					<del>\$185,00</del>	<del>\$2,169,650</del>
<del>Distribution Upgrades</del>		<del>\$0</del>					
<del>Plan of Service Reliability Network Upgrades</del>			<del>1, 2,717,000</del>				
<del>Reliability Network Upgrades</del>					<del>\$7,501,000</del>		
<del>Delivery Network Upgrades</del>				<del>\$120,576,000</del>			
<del>Total</del>	<del>\$6,014,000</del>	<del>\$0</del>	<del>\$2,717,000</del>	<del>\$120,576,000</del>	<del>\$7,501,000</del>	<del>\$185,000</del>	<del>-2,169,650-</del>



**17. Interconnection Facilities Charge:**

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

Interconnection Facilities Charge Effective Date	Customer-Financed Monthly Rate	Estimated		Actual	
		Interconnection Facilities Cost	Interconnection Facilities Charge Based on Estimated Cost	Actual Interconnection Facilities Cost	Interconnection Facilities Charge based on actual cost
As of the Interconnection Facilities Completion Date	0.38%	\$6,014,000	\$22,853.20	[to be inserted after true-up]	[to be inserted after true-up]

**18. Payment Schedule:** The payment amounts shown below are based on an estimate of the monthly incurred costs for the Participating TO's Interconnection Facilities.

Payment No.	Payment Due Date	Interconnection Facilities Cost	Interconnection Facilities One-Time Cost	Total Payment Amount
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		(A)	(F)	(K = A + F)
1	12/30/10	\$ 7,000	\$ —	\$ 7,000
2	1/15/11	62,000	—	62,000
3	2/1/11	62,000	—	62,000
4	2/15/11	104,000	—	104,000
5	3/1/11	113,000	—	113,000
6	4/1/11	113,000	—	113,000
7	5/1/11	113,000	—	113,000
8	6/1/11	113,000	—	113,000
9	7/1/11	113,000	—	113,000
10	8/1/11	113,000	—	113,000
11	9/1/11	113,000	—	113,000
12	10/1/11	115,000	—	115,000
13	11/1/11	115,000	—	115,000
14	12/1/11	116,000	1,000	117,000
15	1/1/12	126,000	1,000	127,000
16	2/1/12	188,000	2,000	190,000
17	3/1/12	196,000	2,000	198,000
18	4/1/12	205,000	3,000	208,000
19	5/1/12	215,000	4,000	219,000
20	6/1/12	223,000	4,000	227,000

21	7/1/12	<del>234,000</del>	<del>5,000</del>	<del>239,000</del>
22	8/1/12	<del>204,000</del>	<del>6,000</del>	<del>210,000</del>
23	9/1/12	<del>292,000</del>	<del>11,000</del>	<del>303,000</del>
24	10/1/12	<del>325,000</del>	<del>21,000</del>	<del>346,000</del>
25	11/1/12	<del>371,000</del>	<del>22,000</del>	<del>393,000</del>
26	12/1/12	<del>300,000</del>	<del>19,000</del>	<del>319,000</del>
27	1/1/13	<del>242,000</del>	<del>9,000</del>	<del>251,000</del>
28	2/1/13	<del>191,000</del>	<del>9,000</del>	<del>200,000</del>
29	3/1/13	<del>208,000</del>	<del>11,000</del>	<del>219,000</del>
30	4/1/13	<del>228,000</del>	<del>13,000</del>	<del>241,000</del>
31	5/1/13	<del>245,000</del>	<del>13,000</del>	<del>258,000</del>
32	6/1/13	<del>221,000</del>	<del>12,000</del>	<del>233,000</del>
33	7/1/13	<del>176,000</del>	<del>13,000</del>	<del>189,000</del>
34	8/1/13	<del>130,000</del>	<del>4,000</del>	<del>134,000</del>
35	9/1/13	<del>80,000</del>	<del>—</del>	<del>80,000</del>
36	10/1/13	<del>42,000</del>	<del>—</del>	<del>42,000</del>
<b>Totals</b>		<del>\$6,014,000</del>	<del>\$ 185,000</del>	<del>\$ 6,199,000</del>

~~Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$6,199,000~~

~~Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$0~~

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~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$0 since the Participating TO has agreed to finance the Participating TO's Reliability Network Upgrades, subject to Appendix A, Section 14(d).~~

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$0 since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Appendix A, Section 14(d).~~

~~ITCC will be provided by Interconnection Customer in accordance with Appendix A, Section 11.~~

**Appendix B**

**To LGIA**

**Milestones**

**1. ~~The Interconnection Customer's Selected Option:~~**

~~Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.~~

**2. ~~Milestone Dates:~~**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	<del>Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the execution of this LGIA</del>
(b)	<del>Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA.</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>
(c)	<del>Submittal of second posting of Interconnection Financial Security for the Participating TO's Interconnection</del>	<del>Interconnection Customer</del>	<del>Within one hundred eighty (180) Calendar Days after publication of the</del>

	Facilities		final Phase II Interconnection Study Report (January 7, 2011)
(d)	Submittal of third posting of Interconnection Financial Security for the Participating TO's Interconnection Facilities	Interconnection Customer	On or before the start of Construction Activities of the Network Upgrades
(e)	Submittal of written authorization to proceed with construction of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of written authorization to proceed with construction of the facilities to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Incorporated within applicable Interconnection Facility Security postings

(f)	<del>Completion of the Participating TO's Interconnection Facilities and Network Upgrades</del>	<del>Participating TO</del>	<del>Interconnection Facilities: By December 1, 2013*</del>  <del>Reliability Network Upgrades: Within thirty-six (36) Months of the Effective Date*</del>  <del>Delivery Network Upgrades: Within eighty-four (84) Months of the Effective Date *</del>
(g)	<del>Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the Palen Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date for the first unit.</del>
(h)	<del>Initial information submission which shall include the Participating TO's Transmission System</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180) Calendar Days prior to Trial Operation of</del>

	information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA		the first unit
(i)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation of the first unit
(j)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications
(k)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the first Unit of the Palen Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date for the first unit
(l)	Review of and comment on the Interconnection	Participating TO and CAISO	Within thirty (30) Calendar Days of

	Customer's final specifications pursuant to Article 5.10.1 of the LGIA		the Interconnection Customer's submission of final specifications.
(m)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(n)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date for the first unit
(o)	In-service date for one of the Electric Generating Units	Interconnection Customer	June 1, 2018, subject to financial close.
(p)	Initial Synchronization Date of one Electric Generating Units begins	Interconnection Customer	May 1, 2018, subject to Financial Close.
(q)	Performance of a complete calibration test and functional trip test of System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(r)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date.

	<del>Interconnection Customer's Interconnection Facilities and the Palen Solar Power Project in accordance with Article 6.1 of the LGIA</del>		
<del>(s)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Palen Solar Power Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date</del>
<del>(t)</del>	<del>Commercial Operation Date.</del>	<del>Interconnection Customer</del>	<del>Palen Solar Power Project Unit 1: July 1, 2018, subject to Financial Close  Unit 2: June 1, 2019, subject to Financial Close.</del>

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

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~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period except for the milestones requiring posting of Interconnection Financial Security for the Network Upgrades common to multiple generating stations. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

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## **Appendix C**

### **To LGIA**

#### **Interconnection Details**

~~1. \_\_\_\_\_ The Generating Facility includes, but is not limited to, all equipment and facilities comprising the proposed 500 MW generating facility, consisting of two solar thermal Electric Generating Units, each rated at 250 MW, near Desert Center, California, as disclosed by the Interconnection Customer in its Interconnection Request, dated November 14, 2008. The Generating Facility consists of two (2) Toshiba synchronous steam generators using parabolic trough field technology each rated at 300 MVA each (but limited to a maximum output of 250 MW), two (2) 220/18.0kV 350MVA step-up transformers with 8% impedance on a 210 MVA base, meters and metering equipment, and appurtenant equipment (together the “Palen Solar Power Project” or the “Generating Facility”).~~

#### ~~2. \_\_\_\_\_~~ **Interconnection Customer Operational Requirements.**

~~• \_\_\_\_\_ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Palen Solar Power Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, NERC and the Applicable Reliability Council requirements, and Applicable Reliability Standards.~~

~~• \_\_\_\_\_ The Palen Solar Power Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.~~

#### ~~3. \_\_\_\_\_~~ **Interconnection Principles:**

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~~• This LGIA provides for interconnection of a total capacity of 500 MW, resulting from the interconnection of the Palen Solar Power Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~

~~• The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Palen Solar Power Project to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation in accordance with Section 12.4 of the LGIP.~~

~~• In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~• Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Palen Solar Power Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or~~

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~~reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Palen Solar Power Project or the Interconnection Customer's Interconnection Facilities.~~

- ~~• \_\_\_\_\_ Interconnection Customer shall include Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA in all environmental impact studies for the Generation Facility, to the extent required by applicable law. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades described in Appendix A of this LGIA.~~

- ~~• \_\_\_\_\_ The Interconnection Customer is responsible for all costs associated with any necessary relocation of any Participating TO facilities as a result of the Palen Solar Power Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of Participating TO facilities or use of Participating TO property rights shall only be permitted upon written agreement between Participating TO and the Interconnection Customer. Any proposed relocation of Participating TO facilities or use of Participating TO property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of Participating TO facilities or property rights would be the subject of a separate agreement and any associated costs to the~~

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~~Interconnection Customer would not be considered a Network Upgrade and would not be refundable to the Interconnection Customer, pursuant to Article 11.4 of this LGIA.~~

- ~~• This LGIA does not address any requirements for standby power or temporary construction power that the Palen Solar Power Project may require prior to the in-service date of the Interconnection Facilities. Should the Palen Solar Power Project require standby power or temporary construction power from Participating TO prior to the actual In-Service Date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with Participating TO to receive and pay for such retail service.~~

~~4. **Cluster Study Group:**~~

- ~~• The Palen Solar Power Project participated in the CAISO's Eastern Bulk System cluster for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid.~~

~~5. **Interconnection Operations:**~~

- ~~• The Interconnection Customer shall cause the Palen Solar Power Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and the CAISO Tariff. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the Palen Solar Power Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice~~

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~~of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this LGIA.~~

- ~~• The Interconnection Customer shall cause the Palen Solar Power Project to participate in CAISO congestion management in accordance with the CAISO Tariff.~~

- ~~• Following outages of the Interconnection Facilities or the Palen Solar Power Project, the Interconnection Customer shall not energize the Palen Solar Power Project for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

- ~~• The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

- ~~• The Interconnection Customer has elected for the Palen Solar Power Project to have full capacity deliverability status as such term is defined in the CAISO Tariff. Subject to the sequencing described in Appendix A, Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, the Palen Solar Power Project will have Energy-Only Deliverability Status as such term is defined in the CAISO Tariff.~~

~~Additional operational studies may be performed by the Participating TO on an as needed basis and at the Interconnection Customer's expense to confirm if any of the circuit breaker upgrades or replacements identified in the Phase II Interconnection~~

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~~Study as being triggered by queued ahead projects are required to be advanced in order to accommodate interconnection of the Palen Solar Power Project. In the event that it is determined by the Participating TO that any such upgrades or replacements are required to be advanced in order to accommodate interconnection of the Palen Solar Power Project, such advancement shall be addressed in accordance with Section 12.2.2 of the LGIP.~~

~~**6. Compliance with Applicable Reliability Standards:**~~

~~The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Palen Solar Power Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A, Section 5.~~

~~**7. Interconnection Customer Ownership Structure:**~~

~~The Parties acknowledge and agree that the Interconnection Customer may elect to structure the legal ownership of the entire Generating Facility referenced in this LGIA, known as the Palen Solar Power Project, in order to divide its ownership into two separate legal entity owners so long as each such owner is an Affiliate of one another and each owns a discrete Electric Generating Unit(s) and other physical components of the entire Generating Facility in a manner that is consistent with the "Recitals to Appendix A". Each of these Affiliates shall be an owner of the Interconnection Customer and shall own a pro-rata share of the Interconnection Customer in proportion to the amount of the entire Palen Solar Power Project's electrical capacity that the Affiliate controls. But, in no event, shall such Affiliate's percentage ownership be less than 50% of the Interconnection Customer. The Parties further acknowledge and agree that:~~

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~~i. the ownership structure of the Palen Solar Power Project shall be detailed in the Interconnection Customer's Operating Agreement ("Operating Agreement") that shall contain the terms and conditions listed below in subsections (a) through (c) and which shall be subject to the review and reasonable approval of the Participating TO and the CAISO; and~~

~~ii. each of the Affiliate owners of the Interconnection Customer shall be required to have executed a joinder agreement by which each Affiliate owner agrees to both (1) be bound by and subject to the obligations and responsibilities of the Interconnection Customer under this LGIA and (2) assume joint and several liability for such obligations and responsibilities, as if each Affiliate owner were a party to the LGIA (such agreement to be referred to herein as the "Joinder Agreement").~~

~~The Joinder Agreement shall be in a form subject to review and reasonable approval of the CAISO and the Participating TO.~~

~~a) The division of Affiliate ownership in the Generating Facility shall not exceed the number of phases or Electric Generating Units designated by the Interconnection Customer for purposes of Partial Termination.~~

~~b) The Interconnection Customer shall serve as agent for its Affiliate owners who receive the benefits of the Interconnection Customer's rights under this LGIA; however, the Interconnection Customer's Affiliate owners are not parties to this LGIA and such benefits shall be derived solely by and through the Interconnection Customer. The Interconnection Customer's Affiliate owners shall receive any benefits of the Interconnection Customer's rights only to the extent of those Interconnection Customer's rights are provided for under this LGIA. Additionally, such benefits shall exist only for such period of time as the Interconnection Customer is a Party to this LGIA. Notwithstanding any provision to the contrary in the anticipated Palen Solar Power Project Operating Agreement, no provision in either that Operating Agreement or this LGIA shall operate or be construed so as to:~~

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- ~~i. \_\_\_\_\_ relieve the Interconnection Customer of its obligations to the Participating TO or the CAISO under this LGIA;~~
  - ~~ii. \_\_\_\_\_ require either the Participating TO or the CAISO to communicate directly with, or look to, the Interconnection Customer's Affiliate owners with respect to the Interconnection Customer's performance under this LGIA;~~
  - ~~iii. \_\_\_\_\_ entitle any of the Interconnection Customer's Affiliate owners to receive any notice under the LGIA from the Participating TO or the CAISO; or,~~
  - ~~iv. \_\_\_\_\_ provide any rights or benefits under the LGIA to the Interconnection Customer's Affiliate owners other than by or through the Interconnection Customer, as provided in and as limited by this paragraph.~~
- ~~e) The anticipated Palen Solar Power Project Operating Agreement shall require the Interconnection Customer to communicate with its Affiliate owners in order to ensure that all requirements of this LGIA are performed by the Interconnection Customer. The anticipated Palen Solar Power Project Operating Agreement shall further require that each of the Interconnection Customer's Affiliate owners comply with the Interconnection Customer's instructions, in order to ensure that the Interconnection Customer complies with the provisions of this LGIA. No failure by any of the Interconnection Customer's Affiliate owners to comply with any instructions from the Interconnection Customer shall excuse the Interconnection Customer from performance of any of its obligations under this LGIA. The anticipated Palen Solar Power Project Operating Agreement and the Joinder Agreement shall each provide that each Affiliate owner shall have and maintain a credit rating that is equal to or greater than the credit rating that the Interconnection Customer had as of execution of this LGIA and that each owner has both the legal authority and the operational abilities to satisfy the obligations of this LGIA. The anticipated Palen Solar Power Project Operating Agreement and the Joinder Agreement shall each further provide that the Interconnection Customer's Affiliate owners shall be jointly and severally liable to the Participating TO and CAISO for any obligations and liabilities of the Interconnection Customer arising out of this LGIA.~~

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~~d) The Interconnection Customer and each of its Affiliate owners shall agree in the Operating Agreement not to assign any claims of benefit, under that Operating Agreement, to any third party. However, each of the Interconnection Customer's Affiliate owners shall have the right to assign for collateral security purposes, for financing of the Palen Solar Power Project any of that Affiliate owner's respective rights and obligations under the Operating Agreement.~~

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## **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>.

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**Appendix E**

**To LGIA**

**Commercial Operation Dates**

[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]**

Mr. Stephen Ruddy  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: Palen Solar II, LLC-Palen Solar Power Project Electric Generating Unit

Dear Messrs. Ruddy, Kott, and Law:

On **[Date]** Palen Solar II, LLC has completed Trial Operation of Palen Solar Power Project Unit No. \_\_\_\_\_. This letter confirms that Palen Solar II, LLC commenced Commercial Operation of Palen Solar Power Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]** and that Palen Solar II, LLC 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]**

cc: Linda Wright

## **Appendix F**

### **To LGIA**

### **Addresses for Delivery of Notices and Billings**

#### **Notices:**

General Notices:

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Palen Solar II, LLC c/o Solar Millennium, LLC Attn: General Counsel 1111 Broadway, 5 <sup>th</sup> Floor,

		Oakland, CA 94607 Phone: 510.524.4517
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~~2. Operating Communications and Notifications:~~

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information ten (10) Calendar Days prior to the Initial Synchronization Date.~~

<del>CAISO</del>	<del>PARTICIPATING TO (Southern California Edison Company)</del>	<del>INTERCONNECTION CUSTOMER Palen Solar II, LLC</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:</del>
<del>Alternate Phone:</del>		<del>*Operation Center Fax. No.: *E-mail:</del>

~~3. Operational Matters, Force Majeure, and Outage Notices:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Palen Solar II, LLC c/o Solar Millennium, LLC Attn: Trevor Thor 1111 Broadway, 5<sup>th</sup> Floor Oakland, CA 94607</del>

		Phone: 510.524.4517
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4. ~~\_\_\_\_\_~~ For Emergencies:

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Palen Solar II, LLC c/o Solar Millennium, LLC Attn: Trevor Thor 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 925.354.0569

5. ~~\_\_\_\_\_~~ Billing and Payments:

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Palen Solar II, LLC c/o Solar Millennium, LLC Accounting Dept 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 510.524.4517

6. ~~\_\_\_\_\_~~ Alternate Forms of Delivery of Notices (telephone, facsimile or e-mail):

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	Palen Solar II, LLC c/o Solar Millennium, LLC Attn: General Counsel 1111 Broadway, 5 <sup>th</sup> Floor

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		Oakland, CA 94607 Phone: 510.524.4517 Fax: 510.463.6457
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## Appendix G

### To LGIA

#### Interconnection Customer's Proportional Share of Costs of Network Upgrades for Applicable Project Group

\*The \$\$ amount listed in the following table are in 2010 dollars as provided in the Phase II Interconnection Facilities Report

Type	Upgrades	Needed For	Cost factor	Cost Share (\$1000)
Delivery	West of Devers 220kV upgrades: Reconductoring four 230kV lines of West of Devers.	Normal and contingency overload.	27.40%	\$105,065
Reliability	Loop in the Red Bluff (RB) 500/220 kV Substation into the Colorado—Devers 500 kV #2 line	To balance power flow on DPV 1 and DPV 2 lines	23.26%	\$6,914
Reliability	Replace the line raiser on Mira Loma—Vista 220 kV #2 line to 3500amps or higher	Emergency overload in off-peak reliability study	22.73%	\$24
Reliability	Develop a SPS to trip 1400MW TC2 generation to mitigate dynamic voltage violations under the N-2 of Devers—Red Bluff No.1 and No.2 500 kV lines.	Dynamic voltage violation under N-2 contingency	23.26%	\$172
Plan of Service Reliability Network Upgrade	Substation, Power System Control	Direct Assigned Network upgrades needed to enable interconnection.	100.00%	\$2,637

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Total:	\$114,812
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## **Appendix H to LGIA**

**(Not Applicable to the Palen Solar Power Project)**

### **INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY**

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

#### **A. Technical Requirements Applicable to Asynchronous Generating Facilities**

##### **i. Low Voltage Ride-Through (LVRT) Capability**

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

1. ~~\_\_\_\_\_ An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step-up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection~~

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to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

2. ~~\_\_\_\_\_ An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high-voltage terminals of the Asynchronous Generating Facility's step-up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

3. ~~\_\_\_\_\_ Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~

4. ~~\_\_\_\_\_ The Asynchronous Generating Facility is not required to remain on-line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~

5. ~~\_\_\_\_\_ The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high-side of the step-up transformer to the high-voltage transmission system.~~

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~~6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~7. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~

~~8. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of May 18, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

---

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

~~1. Asynchronous Generating Facilities shall meet the following design requirements:~~

~~a. An Asynchronous Generating Facility shall be designed to have sufficient reactive power sourcing capability to achieve a net power factor of 0.95 lagging or less at the Point of Interconnection, at the Generating Facility's maximum Generating Facility Capacity. An Asynchronous Generating Facility shall be designed to have net reactive power sourcing and absorption capability sufficient to achieve or exceed the net reactive power range in Figure 1 as a function of the Point of Interconnection voltage, without exceeding the ratings of any equipment in the Asynchronous Generating Facility. The Point of Interconnection voltage is specified in per-unit of the nominal voltage.~~

---

~~iv. Supervisory Control and Data Acquisition (SCADA) and Automated Dispatch System (ADS) Capability~~

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

~~An Asynchronous Generating Facility must be able to receive and respond to Automated Dispatch System (ADS) instructions and any other form of communication authorized by the CAISO Tariff. The Asynchronous Generating Facility's response time should be capable of conforming to the periods prescribed by the CAISO Tariff.~~

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**~~v. Power System Stabilizers (PSS)~~**

~~Power system stabilizers are not required for Asynchronous Generating Facilities.~~

**Attachment EE**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

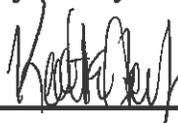
This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 97 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Palo Verde Solar II, LLC, SCE, and ISO, designated as SCE Service Agreement No. 97

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment FF - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1774**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Palo Verde Solar II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 97.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 97, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment GG - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1774**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Palo Verde Solar II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 97.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 97, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

Title Page

California Independent System Operator Corporation  
Non-Conforming Service Agreements  
Service Agreement No. 1774

~~LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)  
AMONG~~

~~PALO VERDE SOLAR II, LLC  
AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY  
AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~Blythe Solar Power Project~~

---

Tariff Record Proposed Effective Date: 12/08/2010

Version Number: 0.0.0

Option Code: A

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## ~~LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~PALO VERDE SOLAR II, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this 25<sup>th</sup> day of November, 2010 by and among Palo Verde Solar II, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("**Interconnection Customer**"), Southern California Edison Company, 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 (or Affiliates thereof) 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~~

---

~~**Abandoned Plant Approval** shall mean a FERC final order, not subject to rehearing or appeal, unconditionally granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the Network Upgrades if such facilities are abandoned due to circumstances outside the Participating TO's control.~~

~~**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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

---

~~**Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current~~

~~**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.~~

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~~**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 Y.~~

~~**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.~~

~~**Partial Termination** shall refer to termination of this LGIA as described in Article 2.4.4 where i) this LGIA shall be terminated under Article 2.4.4 only with respect to one or more Electric Generating Units of a Phased Generating Facility; ii) this LGIA shall continue to remain in force and effect with respect to the first Electric Generating Unit to be placed into service and any subsequent Electric Generating Units of the Phased Generating Facility that are not the subject of the Partial Termination, and iii) no disconnection shall occur with respect to those phases of or Electric Generating Units within the Phased Generating Facility that are not terminated.~~

~~**Partial Termination Charge** shall mean that sum paid by the Interconnection Customer upon Partial Termination as provided for in Article 2.4.4.~~

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~~**Partial Termination Charge Security** shall mean a form of security, issued in favor of the CAISO, naming the CAISO as the beneficiary for an amount equal to the maximum Partial Termination Charge that may become payable upon Partial Termination as provided for in Article 2.4.4. The Partial Termination Charge Security shall be in a form determined to be acceptable by the CAISO, of the type listed in CAISO Cluster LGIP (CAISO Tariff Appendix Y) Section 9.1 (a) – (f), but which security shall be held in favor of the CAISO. Partial Termination Charge Security is separate and distinct from the Interconnection Financial Security.~~

~~**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.~~

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~~**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.~~

~~**Phased Generating Facility** shall mean a Generating Facility that is structured to be completed and to achieve Commercial Operation in two or more successive phases that are specified in this LGIA, such that each phase comprises a portion of the total megawatt generation capacity of the entire Generating Facility.~~

~~**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.~~

~~**Transmission Revenue Balancing Account** shall have the meaning set forth in Appendix A of the CAISO Tariff.~~

## **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 ten (10) years~~

~~from the Effective Date 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.~~

~~2.3.5 Partial Termination.~~ The Parties have included within this LGIA a provision for Partial Termination of this LGIA, the terms of which are set forth in Article 2.4.4. Notwithstanding any other term of this LGIA, Partial Termination shall be determined to have occurred in any and all circumstances where (i) one or more phases or Electric Generating Units for which the Interconnection Customer has secured Partial Termination eligibility are terminated, (ii) this LGIA has not been terminated in its entirety and (iii) all phases or Electric Generating Units have not been disconnected pursuant to Article 2.5.

~~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. However, to the extent that the costs of the Participating TO's Network Upgrades have received Abandoned Plant Approval, the Interconnection Customer shall not be responsible for those charges. 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.~~

~~(a) — *Interrelationship of Abandoned Plant Approval and Termination Costs.* If the Participating TO is granted Abandoned Plant Approval, then the Interconnection Customer shall not be responsible for any termination costs for the Network Upgrades that SCE will upfront finance. The Parties acknowledge and agree that the Partial Termination Charge does not apply in situations of termination of this LGIA in its entirety, and no reduction of the Partial Termination Charge shall be made by reason of Abandoned Plant Approval.~~

~~(b) — *Interrelationship of Termination of the Entire LGIA under Article 2.4 and Partial Termination under 2.4.4.* Nothing in this Article 2.4 shall limit the operation of those provisions pertaining to Partial Termination or the Partial Termination Charge contained in Article 2.4.4. In the event of Partial Termination, the provisions of Article 2.4.4 shall govern.~~

~~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.~~

~~**2.4.4** \_\_\_\_\_ **Partial Termination.** The Parties agree that this LGIA shall provide for Partial Termination on the terms and conditions of this Article 2.4.4. This Article 2.4.4 shall apply only in the event of Partial Termination and shall not apply if this LGIA is terminated with respect to the entire Generating Facility. Partial Termination shall be deemed to have occurred, and the terms of this Article 2.4.4 shall apply in any and all situations of termination under this LGIA where the LGIA is not terminated in its entirety with the corresponding disconnection of all Electric Generating Units or phases of the Generating Facility that are the subject of this LGIA; \_\_\_\_\_ provided, however, that Partial Termination may occur only with respect to those Electric Generating Units for which the Interconnection Customer has previously provided Partial Termination Charge Security, such that no Partial Termination of an Electric Generating Unit may occur for which the Partial Termination right has not been secured.~~

~~**2.4.4.1** \_\_\_\_\_ Except as set forth in Appendix A, Section 14, Table 2B, in the event of Partial Termination, the Interconnection Customer shall pay a Partial Termination Charge. The Partial Termination Charge shall be payable to~~

~~the CAISO and shall be secured by the Partial Termination Charge Security. The amount of the Partial Termination Charge shall be an amount equal to the product of ten percent (10%) of the dollar amount of the Interconnection Customer's cost responsibility for the Network Upgrades in the absence of Participating TO upfront funding for the entire Phased Generating Facility times (multiplied by) the ratio of the megawatt capacity of the portion of the Phased Generating Facility that is terminated to the megawatt capacity of the entire Phased Generating Facility. The following specific items related to Partial Termination are set forth in Appendix A, Section 12: the amount of the Partial Termination Charge and Partial Termination Charge Security; the timing for posting of the security, and the details for reduction of the security for Electric Generating Units that achieve Commercial Operation prior to Partial Termination.~~

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~~**2.4.4.2** Partial Termination may be exercised following the delivery of the Partial Termination Charge Security for the Electric Generating Units for which the Interconnection Customer has elected to make the Partial Termination available either: (i) at the option of the Interconnection Customer, exercisable in its sole discretion; or, (ii) at the mutual discretion of the Participating TO's and the CAISO, upon the failure of the Interconnection Customer to meet any of the milestones set forth in Appendix A, subject to the terms and conditions of Appendix A, Section 14(d)(ii). The notice referenced in this Article may run concurrently with any other notice provided by the Party under this LGIA (including notices pertaining to Default, or failure to meet milestones relating to decision points) and shall not provide the noticed Parties with any additional period of time for cure in such other notices.~~

~~**2.4.4.3** Upon written notice by either (i) the Interconnection Customer to the other Parties; or (ii) the Participating TO and the CAISO to the Interconnection Customer; that the noticing Party has invoked Partial Termination, the Partial Termination Charge shall become immediately due and owing, and the CAISO shall liquidate the Partial Termination Charge Security for collection of the applicable Partial Termination Charge, and apply the Partial Termination funds as specified in Section 2.4.4.5.~~

~~**2.4.4.4** Upon Partial Termination, the Parties shall amend this LGIA to remove from this LGIA the terms and conditions specifying continuing rights and obligations of the Parties with respect to the applicable Electric Generating Unit(s) of the Phased Generating Facility which have been the subject of the Partial Termination, and to specify the continuing rights and obligations of the Parties with respect to the Electric Generating Units which remain the subject of the LGIA. The amended LGIA shall reflect that the Parties have partially terminated the LGIA as to the terminated Electric Generating Unit(s), but not as to any provisions relevant to the Electric Generating Unit(s) for which Partial Termination has not been exercised. The amended LGIA shall further reflect the lower generation capacity of the Generating Facility in its new condition following Partial Termination, and, to the extent that the interconnection configuration that has been modified as a result of the Partial~~

Termination, shall set forth the modified configuration in the amended and restated Appendices to this LGIA.

~~2.4.4.5~~ After written notice of Partial Termination under Article 2.4.4.5, and the expiration of any opportunity to cure relating to any concurrent notices (such as notices of Default or notices relating to milestones and decision points) the CAISO shall cause the Partial Termination Charge funds to be applied and disbursed in such a manner as to cause a credit toward the Transmission Revenue Balancing Account ("TRBA") of the Participating TO. The Parties agree to cooperate and execute such agreements and undertake such actions as may be necessary to apply the funds to credit this account.

~~2.4.4.6~~ If this LGIA is terminated in its entirety prior to any event of Partial Termination, then any Partial Termination Charge Security which was provided to the CAISO prior to the Partial Termination shall be returned to the Interconnection Customer. The Parties acknowledge that there could be a situation where the LGIA was partially terminated in one transaction, followed by a termination of the entire LGIA in a subsequent transaction, in that event, the amount of Partial Termination Charge Security associated with such previous Partial Termination shall not be returned to the Interconnection Customer.

~~2.4.4.7~~ In the event of Partial Termination, the Partial Termination Charge and application of such charge as a credit to the Participating TO's TRBA shall serve as the recourse of the CAISO and the Participating TO for any costs associated with the Network Upgrades that are the subject of upfront financing by the Participating TO as described in this LGIA, and the Interconnection Customer shall not be responsible for payment to the CAISO or the Participating TO for any further costs, charges or expenses attributable to the Network Upgrades that the Participating TO is obligated to finance as described in this LGIA by virtue of its commitment to provide upfront financing.

~~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.

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## **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.~~

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**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.~~

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

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

No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.

**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. No as-built drawings will be provided.

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.~~

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~~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.

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~~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 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.

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~~**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.~~ For all ~~Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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.~~

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~~**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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.~~

~~**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 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.~~

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## **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.~~

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~~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.~~

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~~**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:~~

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~~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.~~

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~~**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.~~

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**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.

**~~Palo Verde Solar II, LLC~~**

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

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

Date: \_\_\_\_\_  
\_\_\_\_\_

**~~Southern California Edison Company~~**

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 an Asynchronous Generating Facility Wind Generating Plant~~

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## **Appendix A To LGIA**

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

#### **Recitals to Appendix A**

A. \_\_\_\_\_ The Participating TO's Interconnection Facilities, Network Upgrades and Distribution Upgrades described herein are based on the Participating TO's preliminary engineering and design and are subject to modification to reflect the actual facilities that will be constructed and installed following the Participating TO's final engineering and design, identification of field conditions, compliance with applicable environmental and permitting requirements, and the Interconnection Customer's determination to proceed with the proposed Generating Facility as originally promised in the Interconnection Customer's Interconnection Request ("Interconnection Request").

B. \_\_\_\_\_ The Interconnection Customer proposed, in its Interconnection Request, to construct a solar thermal Generating Facility to be known as Blythe Solar Energy Center, now identified as and referred to herein as "Blythe Solar Power Project", with a maximum net output of 1,000 MW, consisting of four Electric Generating Units, each rated at 250MW. The Interconnection Customer requested a Commercial Operation Date of May 1, 2013 for the entire Generating Facility in the Interconnection Request. Further, the Interconnection Customer requested a full capacity deliverability status interconnection. The Interconnection Request is being handled along with several other interconnection requests, as part of the CAISO's "Eastern Bulk System Cluster" ("Cluster").

C. \_\_\_\_\_ The Phase II Interconnection Study applicable to the Cluster determined that the Participating TO cannot construct the facilities to meet the full deliverability requests of the Cluster until 2017. In response to this information, the CAISO, the Participating TO, and the Interconnection Customer have agreed to permit the Interconnection Customer to construct the four Electric Generating Units in two sequences, with the First Sequence, consisting of Electric Generating Units 1 & 2 ("First Sequence") and the Second Sequence, consisting of Electric Generating Units 3 & 4 ("Second Sequence"). The Interconnection Customer intends that the sequencing of the construction of the Phased Generating Facility will take place in a manner that matches the construction of the anticipated transmission upgrades and the corresponding availability of transmission necessary for each sequence and therefore has proposed to include within this LGIA provisions for Partial Termination as described in Article 2.4.4 of this LGIA. As set forth below, the First Sequence of the Phased Generating Facility is scheduled to achieve Commercial Operation beginning November 1, 2013 (Electric Generating Unit 1 by November 1, 2013 and Electric Generating Unit 2 by April 1, 2014, both subject to close of financing provided in part through the Department of Energy's Loan Guarantee Program) and the

~~Second Sequence (Electric Generating Units 3 & 4) is scheduled to achieve Commercial Operation in 2017. The Interconnection Customer understands that full capacity deliverability status will be determined pursuant to applicable CAISO procedures and that such status is not assured for the First Sequence prior to completion of all the facilities contemplated in this LGIA in 2017. Accordingly, this Appendix A describes the Interconnection Facilities, Network Upgrades and Distribution Upgrades for the First Sequence and the Second Sequence, separately. Similarly, separate milestones are set forth for both the generation and the transmission activities for each sequence based upon the results of the Phase II Interconnection Study.~~

### ~~Operative Provisions of Appendix A~~

#### ~~1. Interconnection Facilities:~~

~~a. Interconnection Customer's Interconnection Facilities for the First Sequence. The Interconnection Customer shall-~~

- ~~i. Construct a new 220 kV double circuit tower line with one initial Generation Tie-Line circuit from the First Sequence to Participating TO's planned Colorado River Substation. This initial Generation Tie-Line circuit will be called Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line. The right-of-way for this 220 kV double circuit tower line must extend up to the edge of the Colorado River Substation property line.~~
- ~~ii. Install the double circuit tower line with one initial Generation Tie-Line circuit from the Generating Facility, to support the First Sequence, to the last structure outside the Colorado River Substation property line will be. The double circuit tower line with one initial Generation Tie-Line circuit must be equipped with optical ground wire ("OPGW") to provide one of the two telecommunication paths required for the line protection scheme and the Special Protection System ("SPS"). The cost of the OPGW will be included in the cost of the 220 kV double circuit tower line with one initial Generation Tie-Line circuit which will be installed by the Interconnection Customer.~~
- ~~iii. Make available adequate space and facilities necessary for the installation of the Participating TO's Remote Terminal Unit ("RTU").~~
- ~~iv. Install new All Dielectric Self Supported ("ADSS") fiber optic cable from the Colorado River Substation to the Generating Facility to meet the diverse routing requirements for the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line protection.~~
- ~~v. Allow Participating TO to review customer fiber-optic cable design and perform inspection to ensure compatibility with Participating TO's terminal equipment and protection engineering requirements for diverse path communication routing.~~
- ~~vi. Allow Participating TO to perform acceptance testing of fiber-optic cables and give the Participating TO the right to~~

~~request and/or to perform correction of installation deficiencies as determined by the Participating TO.~~

- ~~vii. Provide all required CAISO approved metering equipment for the First Sequence at the Generating Facility.~~
- ~~viii. Grant Participating TO an easement that will provide unrestricted access to Participating TO's Interconnection Facilities located on the Interconnection Customer's side of the Point of Change of Ownership for construction, operation, and maintenance.~~
- ~~ix. Install all required revenue metering equipment to meter the Generating Facility's First Sequence's retail load, as specified by SCE.~~
- ~~x. Install the following Blythe Solar-Colorado River No. 1 220kV Generation Tie-Line protection at the Generating Facility as specified by SCE and provided by the Interconnection Customer:
  - ~~• One (1) GE L90 current differential relay with telecommunication channel to Colorado River Substation via the 220kV Generation Tie-Line OPGW; and~~
  - ~~• One (1) SEL 311L current differential relay with telecommunication channel to Colorado River Substation via the 220kV Generation Tie-Line OPGW.~~~~

~~b. **Interconnection Customer's Interconnection Facilities for the Second Sequence.** The Interconnection Customer shall-~~

- ~~i. Install the second Generation Tie-Line circuit from the Generating Facility to Participating TO's planned Colorado River Substation on the double circuit tower line constructed as part of the Interconnection Facilities identified above to support the First Sequence. This Generation Tie-Line is to support the Second Sequence and will be called the Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line.~~
  - ~~ii. Provide all required CAISO approved metering equipment for the Second Sequence at the Generating Facility.~~
  - ~~iii. Install all required revenue metering equipment to meter the Generating Facility's Second Sequence retail load, as specified by SCE.~~
  - ~~iv. Install the following Blythe Solar-Colorado River No. 2 220kV Generation Tie-Line protection and the Second Sequence SPS relays as specified by SCE and provided by the Interconnection Customer:
    - ~~• One (1) GE L90 current differential relay with telecommunication channel to Colorado River Substation via the 220kV Generation Tie-Line OPGW provided as part of the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line, as discussed above; and~~
    - ~~• One (1) SEL 311L current differential relay with telecommunication channel to Colorado River Substation via the 220kV Generation Tie-Line OPGW provided as part of the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line, as discussed above;~~~~
-

- ~~Two (2) N60 relays (one each for SPS A and B) to trip Electric Generating Unit No. 3's circuit breaker(s);~~
- ~~Two (2) N60 relays (one each for SPS A and B) to trip Electric Generating Unit No. 4's circuit breaker(s); and~~
- ~~One (1) SEL – 2407 satellite-synchronized clock for both Electric Generating Units 3 & 4.~~

~~c. **Participating TO's Interconnection Facilities for the First Sequence.** The Participating TO shall-~~

~~i. **Blythe Solar-Colorado River No.1 220 kV Generation Tie-Line:** Install one 220kV dead-end structure, two spans of conductors, OPGW, and twelve dead-end insulator / hardware assemblies between the last Interconnection Customer-owned double-circuit structure with one initial circuit and the substation dead-end rack at the Colorado River 220kV switchyard.~~

~~ii. **Colorado River Substation:** Install the following facilities to terminate the new Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line:~~

- ~~Two (2) dead-end structures (60 feet high x 50 feet wide)~~
- ~~One (1) dedicated double breaker position~~
- ~~Three (3) 220kV coupling capacitor voltage transformers~~
- ~~One (1) GE L90 current differential relay with telecommunication channel to the Generating Facility via the 220kV Generation Tie-Line OPGW.~~
- ~~One (1) SEL 311L current differential relay with telecommunication channel to the Generating Facility via the 220kV Generating Tie-Line OPGW~~

~~iii. **Metering Services:** Install a metering cabinet and revenue meters at the Generating Facility's First Sequence required to meter the retail load at the Generating Facility. Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities~~

~~iv. **Power System Control:** Install one (1) RTU at the Generation Facility to monitor the First Sequence's typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit as well as the plant auxiliary load. This information will be transmitted to the SCE Grid Control Center. Notwithstanding that the RTU will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTU as part of the Participating TO's Interconnection Facilities. The same RTU will be used for the Second Sequence when they become operational.~~

~~v. **Telecommunications:**~~

- ~~Install all required light wave, channel and related terminal equipment to support the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line protection. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

- ~~Install underground vaults, risers, conduits, and cable as required at the Colorado River Substation to complete all terminations.~~

vi. ~~Real Properties, Transmission Project Licensing, and Environmental Health and Safety: Perform all required functions to obtain land easements and/or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the telecommunications between the Generating Facility and Colorado River Substation including the Participating TO's portion of the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line. All work should be done with consideration of the Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line to be installed concurrently with the construction of Second Sequence.~~

d. ~~**Participating TO's Interconnection Facilities for the Second Sequence.** The Participating TO shall~~

i. ~~Blythe Solar-Colorado River No.2 220 kV Generation Tie-Line: Install one 220kV dead end structure, two spans of conductors, OPGW and twelve dead end insulator / hardware assemblies between the last Interconnection Customer-owned double-circuit structure and the substation dead end rack at the Colorado River 220kV switchyard.~~

ii. ~~Colorado River Substation: Install the following facilities to terminate the new Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line:~~

- ~~One (1) dead-end structure (60 feet high x 50 feet wide)~~

- ~~One (1) shared breaker and a half position.~~

- ~~Three (3) 220kV coupling capacitor voltage transformers~~

- ~~One (1) 220kV Generation Tie-Line isolating motorized disconnect switch~~

- ~~One (1) GE L90 current differential relay with telecommunication channel to the Generating Facility via the 220kV Generation Tie-Line OPGW.~~

- ~~One (1) SEL 311L current differential relay with telecommunication channel to the Generating Facility via the 220kV Generation Tie-Line OPGW~~

iii. ~~Metering Services: Use, or expand, if necessary, the metering cabinet to install revenue meters at the Generating Facility's Second Sequence required to meter the retail load at the Generating Facility.~~

~~Notwithstanding that the metering will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the metering as part of the Participating TO's Interconnection Facilities.~~

~~iv. **Power System Control:** Expand RTU, installed to support the First Sequence, to monitor the Second Sequence's typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit as well as plant auxiliary load. This information will be transmitted to the SCE Grid Control Center. Notwithstanding that the RTUs will be located on Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the RTUs as part of the Participating TO's Interconnection Facilities.~~

~~v. **Telecommunications:** Install all required light-wave, channel and related terminal equipment to support the Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line protection. Notwithstanding that the telecommunications terminal equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, Participating TO shall own, operate and maintain the telecommunications terminal equipment as part of the Participating TO's Interconnection Facilities.~~

~~vi. **Real Properties, Transmission Project Licensing, and Environmental Health and Safety:** No additional work required beyond scope identified for the First Sequence.~~

~~**2. Network Upgrades:**~~

~~a. **Stand Alone Network Upgrades:** None.~~

~~b. **Other Network Upgrades:**~~

~~i. **Participating TO's Reliability Network Upgrades:** The Participating TO shall:~~

~~1. Terminate the Blythe Solar-Colorado River No.1 220 kV Generation Tie-Line at Colorado River Substation. The following facilities correspond to the First Sequence.~~

~~a. Colorado River Substation~~

~~i. Install the following equipment for a dedicated 220kV double breaker line position on a breaker-and-a-half configuration to terminate the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line:~~

~~• Two (2) 220kV 3000A — 50kA circuit breakers~~

~~• Four (4) 220kV 3000A — 80kA horizontal-mounted group-operated disconnect switches~~

~~• One (1) grounding switch attachment~~

~~• Eighteen (18) 220kV bus supports with associated steel pedestals~~

~~• 2-1590 kemil ACSR~~

- Two (2) GE C60 breaker management relays inside existing Control Room
- ii. Power System Control – Expand the RTU at Colorado River Substation to install additional points required for the Blythe Solar-Colorado River No. 1 220 kV Generation Tie-Line.
  - 2. Terminate the Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line at Colorado River Substation. These facilities correspond to the Second Sequence and should be installed in a timeframe consistent with the completion of all Delivery Network Upgrades:
    - a. Colorado River Substation
      - i. Install the following equipment for a shared 220kV line / bank position on a breaker-and-a-half configuration to terminate the Blythe Solar-Colorado River No. 2 220 kV Generation Tie-Line:
        - One (1) 220kV 3000A – 50kA circuit breaker
        - Two (2) 220kV 3000A – 80kA horizontal-mounted group-operated disconnect switches
        - One (1) grounding switch attachment
        - 2-1590 kcmil ACSR
        - Two (2) GE C60 breaker management relays inside existing Control Room
      - ii. Remove eighteen 220kV bus supports with associated steel pedestals
    - 3. Loop the Colorado River-Devers No.2 500kV Transmission Line into Red Bluff Substation forming the new Devers-Red Bluff No.2 and Colorado-Red Bluff No.2 500 kV Transmission Lines. These facilities correspond to the First Sequence; however, the First Sequence may be placed in service without regard to the status of these upgrades. The work requires the following:
      - a. Transmission
        - i. Install approximately one (1) circuit mile of 2B-2156 kcmil ACSR and OPGW
        - ii. Install four (4) dead-end 500kV lattice steel structures
        - iii. Install thirty (30) insulator/hardware assemblies
      - b. Red Bluff 500/220kV Substation
        - i. Install two (2) new double breaker line positions within the 500 kV Switchyard to terminate the new Colorado River No. 2 and Devers No. 2 500 kV transmission lines
        - ii. Install the following protection relays in the control room
          - Four (4) GE C60 breaker management relays
          - Two (2) GE D60 distance relays (digital communication channel)

- Two (2) GE L90 current differential relay (digital communication channel)
- Two (2) SEL-421 current differential relay with RFL 9780 on PLCC
- Two (2) additional RFL 9780 direct transfer trip on Programmable Logic Controller Circuits (“PLCC”)
- Two (2) RFL 9745 direct transfer trip on PLCC

4. Expand the Colorado River Substation, previously configured as only a 500kV switchyard, to 500/220kV substation by installing one 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions and installing a new 220kV switchyard. These facilities correspond to the First Sequence:

a. Colorado River 1 AA 500/220 kV transformer bank 500 kV Position - Install the following equipment for a double breaker bank position on a breaker and a half configuration

- One (1) 108 feet high by 90 feet wide dead-end structure
- Two (2) 500kV-4000A-50kA circuit breakers
- Four (4) 500kV horizontal-mounted group-operated disconnect switches, one of them equipped with grounding attachments
- Fifteen (15) 500kV bus supports
- 2B-1590 kemil ACSR

b. Colorado River 1 AA 500/220 kV Transformer Bank - Install one 1120 MVA 500/220kV Transformer Bank as follows:

- Four (4) 373MVA 500/161-220kV single-phase units, including one spare unit
- Three (3) 500kV surge arresters
- Three (3) 220kV surge arresters
- One (1) standard seven-position transformer structure with all the required 500kV and 220kV bus-work to allow for the grounded wye/delta connection of the single-phase units and placement of the spare unit

• One (1) 13.8kV tertiary bus equipped as follows:

- Five (5) 13.8kV-2000A-17kA circuit breakers
- Fifteen (15) 13.8kV hook-stick disconnect switches
- Five (5) 13.8 kV 45MVAR reactors
- One (1) ground bank detector (3-5MVA 14400-120/240v transformers)
- One (1) 14400-120V voltmeter potential transformer
- One (1) voltmeter

- Three (3) 40E standard size 4 S&C type fuses
- Approximately 700 circuit feet of 2B-1590 kcmil ACSR for the 500kV and 220kV transformer leads
- c. Colorado River 220kV Switchyard
- i. Operating buses – Install the following equipment required for a new 220kV switchyard:
  - Six (6) 60 feet high x 90 feet wide bus dead-end structures
  - Twenty-four (24) bus dead-end insulator assemblies
  - Six (6) 220kV potential devices
  - Approximately 920 circuit feet of 2B-1590 kcmil ACSR for the bus
- ii. Colorado River 1 AA 500/220 kV transformer bank 220 kV Position - Install the following equipment for a double breaker bank position on a breaker-and-a-half configuration:
  - One (1) 80 feet high by 50 feet wide dead-end structure
  - Two (2) 220kV 3000A-50kA circuit breakers
  - Four (4) 220kV 3000A-80kA horizontal-mounted group-operated disconnect switches
  - One (1) grounding switch attachment
  - Eighteen (18) 220kV bus supports with associated steel pedestals
  - 2B-1590 kcmil ACSR
- d. Control Room – Install the following protection relays for the No. 1AA 500/220kV transformer banks:
  - Four (4) GE C60 breaker management relays
  - One (1) GE T60 bank differential relay
  - One (1) SEL-387 bank differential relay
  - Four (4) GE C30 sudden pressure aux relay
  - Five (5) GE F60 reactor bank relays (one per reactor)
  - Two (2) SEL-351 ground detector bank relay
  - Twelve (12) GE SBD11B 220kV bus differential relays
- 5. Upgrade the Mira Loma Vista No.2 220kV Transmission Line drops at Vista Substation. These facilities correspond to the First Sequence. At Vista Substation, replace the existing 2B-1033 kcmil ACSR on the Mira Loma No.2 220 kV line position at Vista Substation with new 2B-1590 kcmil ACSR.

6. ~~\_\_\_\_\_~~ New SPS to trip generation under simultaneous outage of the Devers-Red Bluff No.1 and No.2 500 kV Transmission Lines. These facilities correspond to the First Sequence.

a. ~~\_\_\_\_\_~~ Devers Substation

i. ~~\_\_\_\_\_~~ SPS Relays

- ~~\_\_\_\_\_~~ Install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring

- ~~\_\_\_\_\_~~ Install one (1) SEL-2407 satellite synchronized clock

ii. ~~\_\_\_\_\_~~ Telecommunications — install two (2) channel banks (one each for SPS A and SPS B) to support the SPS

iii. ~~\_\_\_\_\_~~ Power Systems Control — expand the RTU at Devers to install additional points required to support the SPS

b. ~~\_\_\_\_\_~~ Red Bluff Substation

i. ~~\_\_\_\_\_~~ SPS Relays

- ~~\_\_\_\_\_~~ Install two (2) N60 relays (one each for SPS A and SPS B) for line monitoring

- ~~\_\_\_\_\_~~ Install one (1) SEL-2407 satellite synchronized clock

ii. ~~\_\_\_\_\_~~ Power Systems Control — expand the RTU at Red Bluff to install additional points required to support the SPS

c. ~~\_\_\_\_\_~~ Colorado River Substation

i. ~~\_\_\_\_\_~~ SPS Relays

- ~~\_\_\_\_\_~~ Install four (4) N60 relays (two each for SPS A and SPS B) for logic central processing and sending of tripping signals to generators

- ~~\_\_\_\_\_~~ Install one (1) SEL-2407 satellite synchronized clock

ii. ~~\_\_\_\_\_~~ Power Systems Control — install dual RTUs for SPS arming, control, status and alarm indications at Colorado River Substation.

7. ~~\_\_\_\_\_~~ New SPS to trip generation connected to Colorado River Substation under either No.1 AA or No.2 AA transformer bank single contingency. These facilities correspond to the Second Sequence and should be installed concurrently with the Second Sequence. At Colorado River Substation, install four (4) N60 relays (two each for SPS A and SPS B) for banks monitoring.

ii. ~~\_\_\_\_\_~~ **Participating TO's Delivery Network**

**Upgrades:** The Participating TO shall implement the following Delivery Network Upgrades:

1. ~~\_\_\_\_\_~~ West of Devers Upgrades — Upgrade the following existing 220kV transmission lines to 3,000A rating by replacing all conductors with new 2-1590 kcmil ACSR per phase, upgrading towers to support larger conductor where necessary and replacing all substations' terminal equipment with 3,000A rated elements. Components of this upgrade consist of—

- ~~\_\_\_\_\_~~ Devers — San Bernardino No.1 220kV Transmission Line — 43 circuit miles

- ~~Devers — San Bernardino No.2 220kV Transmission Line — 43 circuit miles~~
- ~~Devers — Vista No.1 220kV Transmission Line — 45 circuit miles~~
- ~~Devers — Vista No.2 220kV Transmission Line — 45 circuit miles~~
- ~~Devers Substation: Upgrade four 220kV line positions~~
- ~~San Bernardino G.S.: Upgrade two 220kV line positions~~
- ~~Vista Substation: Upgrade two 220kV line positions~~

Note: Prior to this upgrade the Devers-San Bernardino No. 2 220kV Transmission Line will be looped into the new El Casco Substation forming the two new Devers-El Casco and El Casco-San Bernardino 220kV Transmission Lines. After such line re-configuration, the Devers — San Bernardino No.1 220kV Transmission Line will be re-named Devers — San Bernardino 220kV Transmission Line. The Devers and San Bernardino 220kV line positions at the new El Casco Substation will be rated 3,000A and will not require any upgrades.

2. ~~Colorado River Substation Expansion— Installation of the No. 2 AA 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions. These facilities correspond to the First Sequence; however, the First Sequence does not require this facility to interconnect. The component of this upgrade are as follows –~~

a. ~~Colorado River 2 AA 500/220 kV transformer bank 500 kV Position - Install the following equipment on a two-breaker line position to expand to a three-breaker line / bank position as required to connect the No. 2 AA transformer bank~~

- ~~one (1) 108 ft. high x 90 ft. wide dead-end structure~~
- ~~one (1) 500kV 4000A-50kA circuit breaker~~
- ~~two (2) 500kV 4000A-80kA horizontal-mounted group-operated disconnect switches~~
- ~~one (1) grounding switch attachment~~
- ~~remove twelve (12) 500kV bus supports and corresponding steel pedestals and foundations~~

b. ~~Colorado River 2AA 500/220 kV Transformer Bank— Install one 1120MVA 500/161-220kV Transformer Bank as follows:~~

- ~~three (3) 373MVA 500/161-220kV single-phase units~~
- ~~three (3) 500kV surge arresters~~
- ~~three (2) 220kV surge arresters~~
- ~~one (1) 13.8kV tertiary bus equipped as follows:~~

- five (5) 13.8kV-2000A-17kA circuit breakers
- fifteen (15) 13.8kV hook-stick disconnect switches
- five (5) 13.8 kV 45MVAR reactors
- one (1) ground bank detector (3-5MVA 14400-120/240v transformers)
- one (1) 14400-120V voltmeter potential transformer
- one (1) voltmeter
- three (3) 40E standard size 4 S&C type fuses
- approximately 700 circuit ft. of 2B-1590 kcmil ACSR for the 500kV and 220kV transformer leads
- e. Colorado River 220kV Switchyard – Install the following equipment for a double breaker bank position on a breaker-and-a-half configuration to connect the No. 2 AA 500/220kV transformer bank:
  - i. Colorado River 2 AA 500/220 kV transformer bank 220 kV Position - Install the following equipment on a two-breaker line position to expand to a three-breaker line / bank position as required to connect the No. 2 AA transformer bank
    - one (1) 80 ft. high by 50 ft. wide dead-end structure
    - two (2) 220kV 3000A-50kA circuit breakers
    - four (4) 220kV 3000A-80kA horizontal-mounted group-operated disconnect switches
    - one (1) grounding switch attachment
    - eighteen 220kV bus supports with associated steel pedestals
    - 2B-1590 kcmil ACSR
    - Control Room – Install the following protection relays for the
      - d. Control Room – Install the following protection relays for the No. 2 AA 500/220kV transformer banks:
        - four (4) GE C60 breaker management relays
        - one (1) GE T60 bank differential relay
        - one (1) SEL-387 bank differential relay
        - three (3) GE C30 sudden pressure aux relay
        - five (5) GE F60 reactor bank relays (one per reactor)
        - two (2) SEL-351 ground detector bank relay
        - twelve (12) GE SBD11B 220kV bus differential relays

~~e. \_\_\_\_\_ Real Properties, Transmission Project Licensing, and Environmental Health and Safety: Perform all required functions to obtain land easements or land acquisition, obtain licensing and permits, and perform required environmental activities for the installation of the Participating TO's Delivery Network Upgrades.~~

~~3. \_\_\_\_\_ **Distribution Upgrades: None**~~

~~4. \_\_\_\_\_ **Not Used**~~

~~5. \_\_\_\_\_ **Point of Change of Ownership:**~~

~~a. \_\_\_\_\_ Blythe Solar Colorado River No. 1 & 2 220 kV Generation Tie-Line: The Point of Change of Ownership shall be the point where the conductors are attached to the first structure located directly outside the Colorado River Substation property line. This will be on the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, including the jumper loop. The Participating TO shall own and maintain the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure, and all structures and conductors from that point into the Colorado River Substation.~~

~~b. \_\_\_\_\_ Telecommunication OPGW: The Point of Change of Ownership shall be the point where the OPGW of the Blythe Solar Power Project generation tie-line is attached to the first structure located directly outside the Colorado River Substation property line.~~

~~6. \_\_\_\_\_ **Point of Interconnection: The Participating TO's Colorado River Substation at the 220kV bus.**~~

~~7. \_\_\_\_\_ **One-Line Diagram of Interconnection to Colorado River Substation:**~~

**Palo Verde Solar II, LLC (Q 294)**  
1000 MW NET CAPACITY

Phase II Changes

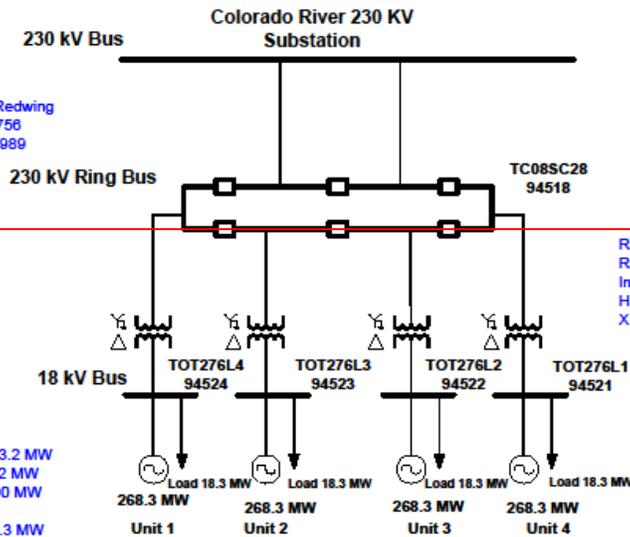
1. Change POI from 500 kV to 230 kV

Line Data:

Distance: 8 miles, B-715.5 ACSR Redwing  
 $Z_1$  (p.u.) = .00107 + J.00997 B= .02756  
 $Z_0$  (p.u.) = .00737 + J.03108 B=.01989

GENERATOR DATA:

Total Rated Output:	1073.2 MW
Auxiliary Load:	73.2 MW
Net Generation:	1000 MW
Number of units:	4
Individual generator output:	268.3 MW
MVA Rating:	1200 MVA
Voltage Rating:	18kV
PF:	.90 PF
$X_d''$ :	0.203
$X_d'$ :	0.203
$X_d$ :	infinite



TRANSFORMER DATA:  
(2 Winding)

Rated Voltage: 230/18kV  
 Rated MVA: 210/280/350 MVA  
 Impedance: 8% @ 210 MVA  
 H Winding: Wye Grounded  
 X Winding: Delta

Deliverability  
Full Capacity

Blythe Solar Power Project (Q 294)  
1000 MW NET CAPACITY  
POI: Colorado River 230 KV Bus

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

~~a. Accounting Practice: Generally Accepted Accounting Principles in the United States consistently applied to electric utility operations~~

~~b. Blythe Solar 220kV Switchyard: The Interconnection Customer's (or it Affiliates') 220kV switchyard to be located near Blythe, California in close proximity to the Colorado River Substation. The Blythe Solar 220kV Switchyard will be configured in a ring bus and will connect the First Sequence and the Second Sequence.~~

~~c. Blythe Solar Power Project: Interconnection Customer's (or its Affiliates') 1,000 MW solar thermal generating facility located near Blythe, California.~~

~~d. Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities ; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~Cluster: Shall have the meaning ascribed in Appendix A—~~

~~e. Recitals to Appendix A.~~

~~f. Colorado River Substation: Participating TO's proposed 500/220kV substation near Blythe, California to which the Devers-Palo Verde 500kV Transmission Line will be looped in and which will be the eastern terminus of Participating TO's proposed Colorado River Red Bluff No. 2 500kV line. The Colorado River Substation is expected to be located within APN 879-080-022 and APN 879-080-025 in Riverside County, California.~~

~~g. 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.~~

~~h. CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~i. Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~j. Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO~~

for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Appendix A, Section 17.

k. ~~\_\_\_\_\_~~ Delivery Network Upgrades Cost: The Interconnection Customer's share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades for the First Sequence and the Second Sequence, as applicable. The Delivery Network Upgrades Cost is provided in Appendix A, Section 16.

l. ~~\_\_\_\_\_~~ Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Appendix A, Section 18.

m. ~~\_\_\_\_\_~~ Distribution Upgrades Cost: All costs, excluding ITCC and One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Appendix A, Section 16.

n. ~~\_\_\_\_\_~~ Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and the associated One-Time Cost. The Distribution Upgrades Payment is provided in Appendix A, Section 18.

o. ~~\_\_\_\_\_~~ Financial Close: The close of debt and equity (including tax equity, subordinated, preferred, mezzanine or bridge financing) financing then anticipated to be sufficient to fully construct a corresponding Electric Generating Unit, as applicable.

p. ~~\_\_\_\_\_~~ First Sequence: This term shall have the meaning ascribed in Appendix A — Recitals to Appendix A.

q. ~~\_\_\_\_\_~~ Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Appendix A, Section 17.

r. ~~\_\_\_\_\_~~ Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities for the applicable First Sequence or Second Sequence is complete and such facilities are successfully tested and ready for service.

s. ~~\_\_\_\_\_~~ Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's

~~Interconnection Facilities. The Interconnection Facilities Cost is provided in Appendix A, Section 16.~~

~~t. Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Appendix A, Section 18.~~

~~u. ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost. The ITCC applicable to the Distribution Upgrades Cost and Interconnection Facilities Cost is described in Appendix A, Section 11 and is shown in Appendix A, Section 16.~~

~~v. Letter Agreement: The agreement between Participating TO and Interconnection Customer executed on April 2, 2010 under which Participating TO performed the Colorado River Substation expansion siting study and prepared a description of the Participating TO's Interconnection Facilities, Distribution Upgrades and the Participating TO's Reliability Network Upgrades for Interconnection Customer's Application For Certification at the California Energy Commission, designated as Service Agreement No. 79 under Participating TO's FERC Electric Tariff, Second Revised Volume No. 6.~~

~~w. One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Delivery Network Upgrades, Distribution Upgrades, Participating TO's Interconnection Facilities, Participating TO's Reliability Network Upgrades, or Capital Additions which are not capitalized.~~

~~x. Reliability Network Upgrades Cost: The Interconnection Customer's allocated share of all costs, excluding One-Time Cost, determined by the Participating TO associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Appendix A, Section 16.~~

~~y. Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Appendix A, Section 18.~~

~~z. Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, or any portion thereof, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

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~~aa. \_\_\_\_\_ **Second Sequence:** This term shall have the meaning ascribed in Appendix A – Recitals to Appendix A.~~

~~bb. \_\_\_\_\_ **Special Protection System (“SPS”):** A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~cc. \_\_\_\_\_ **Units of Property:** As described in FERC's “List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees” in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**9. \_\_\_\_\_ **Transmission Credits:****~~

~~Subject to Appendix A, Section 14(d), no Congestion Revenue Rights or repayment will be made pursuant to Articles 11.4 and 11.4.1 of the LGIA because this LGIA assumes that the Participating TO will up-front finance the Network Upgrades described in Appendix A, Section 2.~~

~~**10. \_\_\_\_\_ **Security Amount for the Distribution Upgrades, Participating TO’s Interconnection Facilities and Network Upgrades:****~~

~~a. \_\_\_\_\_ **Distribution Upgrades:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$0 to cover the costs for constructing, procuring and installing the Participating TO’s Distribution Upgrades.~~

~~b. \_\_\_\_\_ **Participating TO’s Interconnection Facilities:** Pursuant to Section 9 of the LGIP, Article 11.5, and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$3,921,300 for the second posting and \$13,071,000 (including the amount of the second posting) for the third posting to cover the costs for constructing, procuring, and installing the Participating TO’s Interconnection Facilities. Interconnection Customer has provided \$6,400,000 in cash (and a \$2,240,000 letter of credit) pursuant to an executed Letter Agreement toward these Interconnection Facilities Costs, which \$6,400,000 shall be credited against the second and third postings and credited to the initial scheduled payments. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~c. \_\_\_\_\_ **Network Upgrades:** Pursuant to Appendix A, Section 14(d), the Participating TO has committed to finance all Network Upgrades for the Cluster, subject to receiving Abandoned Plant Approval. Pursuant to the Federal Energy Regulatory Commission’s Order Granting Waiver of Tariff Provisions in Docket No. ER10-1656-000, issued August 13, 2010, Interconnection Customer’s second and third security postings are waived until such time as FERC renders a decision on whether to grant Abandoned Plant Approval, which waiver shall remain in effect in the event Abandoned Plant Approval is granted, so long as Interconnection Customer is current with all milestones as provided in Appendix A, Section 14(d), Table 1 of this LGIA. To the extent the Interconnection Customer has provided Credit Support related~~

to the Network Upgrades prior to a determination of Abandoned Plant Approval, such Credit Support shall be released within thirty (30) Calendar Days following the Participating TO's receipt of Abandoned Plant Approval.

d. ~~\_\_\_\_\_~~ Participating TO's ability to draw on the Credit Support shall be governed by Appendix A, Section 14(d).

**11. ~~\_\_\_\_\_~~ Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:

~~(Current Tax Rate x (Gross Income Amount — Present Value of Tax Depreciation)) / (1 — Current Tax Rate) = 35%~~

~~Estimated tax liability for Participating TO's Interconnection Facilities = 35% \* (Interconnection Facilities Cost) = 35% \* (\$13,071,000) = \$4,574,850~~

~~Interconnection Facilities Cost = \$13,071,000~~

Based upon the total estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$4,574,850, pursuant to Article 5.17.3 and Appendix B of the LGIA.

**12. ~~\_\_\_\_\_~~ Security Amount for Partial Termination Charge:**

a. ~~\_\_\_\_\_~~ **Amount:** The amount of the Partial Termination Charge Security shall equal \$6,136,025 for each 250 MW Electric Generating Unit that the Interconnection Customer elects to be eligible for Partial Termination. With respect to the Phased Generating Facility, Interconnection Customer shall be entitled (upon providing the Partial Termination Security to the CAISO) to secure Partial Termination rights with respect to Electric Generating Units 2, 3 and/or 4, which, if the Interconnection Customer secures Partial Termination rights to all three (3) Electric Generating Units comprising 750 MW, would result in a maximum Partial Termination Charge Security of \$18,408,075. The Interconnection Customer shall make its election and designation of the Electric Generating Unit(s) to be eligible for Partial Termination at the time of the Partial Termination Charge Security posting. The Parties acknowledge that Partial Termination shall not be available for Electric Generating Unit 1, and that Electric Generating Unit 1 shall not be the subject of a Partial Termination pursuant to this LGIA.

b. ~~\_\_\_\_\_~~ **Timing for Posting of Partial Termination Charge Security:** The entire amount of the Partial Termination Charge Security for all Electric Generating Units for which the Interconnection Customer elects to secure eligibility for Partial Termination shall be posted no later than thirty (30) Calendar Days following the later of (i) the Financial Close for Electric Generating Unit 1 of the First Sequence or (ii) the Participating TO's final receipt of Abandoned Plant Approval; provided, however, that under no circumstances shall the Partial Termination Charge Security be delivered after 5:00 PM Pacific Standard Time on January 7, 2012. In the

event that the Interconnection Customer fails to timely post the Partial Termination Charge Security, then, as specified in Article 2.4.4, the provisions of this LGIA permitting Partial Termination shall not be operative and termination of this LGIA may only occur with respect to the entire Generating Facility.

~~c. **Reduction of Partial Termination Charge Security for Electric Generating Units that Achieve Commercial Operation Prior to Termination:** Within fifteen (15) Calendar Days following Commercial Operation of each 250 MW Electric Generating Unit for which Partial Termination has been secured and not exercised, the Partial Termination Charge Security shall be reduced by the amount \$ 6,136,025. If the Interconnection Customer had posted security in the form of a cash deposit, such cash funds shall be released and/or returned to the Interconnection Customer. If the Interconnection Customer posts another form of financial security of the type specified in CAISO Cluster LGIP (CAISO Tariff App. Y) Section 9.1, the Parties shall cooperate and execute such necessary documents as to accomplish a replacement security in the lower amount or take other action necessary to accomplish the reduction in Partial Termination Charge Security.~~

~~13. **Removal of the Participating TO's Interconnection Facilities and Distribution Upgrades:** Following termination of the LGIA in its entirety, the Participating TO will remove the Participating TO's Interconnection Facilities and Distribution Upgrades from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, Distribution Upgrades, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

~~14. **Charges:**~~

~~a. The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Distribution Upgrades Payment; (ii) Delivery Network Upgrades Payment (if applicable); (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment (if applicable); (v) payments for any Capital Additions; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Appendix A, Section 15(g); (viii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Appendix A, Section 15(f); (ix) termination charges pursuant to Article 2.4 of the LGIA, provided that such charges shall not be applicable to the extent the costs associated with the Network Upgrades are subject to Abandoned Plant Approval received by the Participating TO; (x) disconnection costs pursuant to Article 2.5 of the LGIA; and (xi) suspension costs pursuant to Article 5.16 of the LGIA.~~

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~~b. \_\_\_\_\_ The Distribution Upgrades Cost, Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~c. \_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than for retail load) which contributes to a need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time, and shall be subject to FERC's approval.~~

~~d. \_\_\_\_\_ The Participating TO commits to up-front finance the cost of the Network Upgrades including the associated One-Time Cost specifically identified in Appendix A, Section 2, contingent upon satisfactory receipt, as determined solely by the Participating TO, of the following:~~

~~i. \_\_\_\_\_ Abandoned Plant Approval: If Participating TO has not received Abandoned Plant Approval within six (6) months (or such longer period mutually agreed to by the Parties) of applying for such approval, the Parties will negotiate an amendment to this LGIA.~~

~~ii. \_\_\_\_\_ The continued achievement of the milestones and decision points, as described in Table 1 below, by the Interconnection Customer, as such milestones and decision points may be adjusted pursuant to Option 2 of Table 2b below or a suspension pursuant to Article 5.16 of this LGIA, provided that the Interconnection Customer may exercise suspension only if it is not Breach of the LGIA. The Interconnection Customer has agreed to the following condition limiting its ability to suspend work pursuant to Article 5.16 of this LGIA: if the Interconnection Customer has not achieved Commercial Operation of Electric Generating Units 2, 3 or 4 by the later of (i) eighty-four (84) months from the execution date of this LGIA or (ii) the in-service date of the Network Upgrades necessary to provide the entire Generating Facility with full deliverability (the "Outside Date"), the Participating TO shall have the right, upon sixty (60) Calendar Days prior written notice, to: (A) upon mutual determination of the CAISO and the Participating TO that an event of Partial Termination has occurred and notice of the same as provided for in Article 2.4.4.2, request that the CAISO liquidate the Partial Termination Charge Security applicable to the Electric Generating Units that have not achieved Commercial Operation by the Outside Date, and (B) terminate this LGIA solely with respect to the Electric Generating Units that have not achieved Commercial Operation by the Outside Date, and apply the proceeds of the Partial Termination Charge as provided for in Article 2.4.4.5. The Outside Date shall be sixty-six (66) months from the execution date of this LGIA. If the Interconnection Customer has not commenced construction activities on Electric Generating Unit 2, 3 or 4 within twelve (12) months from the Outside Date, the Participating TO may exercise the foregoing rights within such twelve (12) month period. In the event the Participating TO exercises the foregoing rights, the LGIA shall remain in~~

~~full force and effect with respect to each Electric Generating Unit that has achieved Commercial Operation prior to the Participating TO's exercise of its foregoing rights, and the Parties shall amend this LGIA to reflect the lower interconnection capacity.~~

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**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1 for First Sequence</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO applies for Abandoned Plant Approval.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures final Site Exclusivity as defined in the LGIP.</li> </ul>
<ul style="list-style-type: none"> <li>Participating TO commences final design and engineering of the Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer has provided Interconnection Financial Security in accordance with Section 9 of the LGIP and applicable FERC orders.</li> </ul>
<p><b>DECISION POINT #1:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's such notification. Parties exercise options as outlined in Table 2.</p>	
<b>Group 2 Milestones and Decision Point #2 for First Sequence</b>	
<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO receives Abandoned Plant Approval.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures all discretionary permits, licenses, and property rights required for the construction of the First Sequence of the Generating Facility and Interconnection Customer's First Sequence Interconnection Facilities.</li> </ul>
<ul style="list-style-type: none"> <li>Participating TO secures all discretionary permits, licenses, and property rights for the Participating TO's Interconnection Facilities for the First Sequence and Participating TO's Reliability Network Upgrades.</li> </ul>	
<p><b>DECISION POINT #2:</b> Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's such notification. Parties exercise options as outlined in Table 2.</p>	

**Group 3 Milestones and Decision Point #3 for First Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO completes final design and engineering, for the Participating TO's Interconnection Facilities for the First Sequence and Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor.</li> </ul>
<ul style="list-style-type: none"> <li>Participating TO notifies Interconnection Customer that Participating TO is prepared to commence Construction Activities within ninety (90) Calendar Days.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures Financial Close for at least one Electric Generating Unit of the First Sequence.</li> </ul>
	<ul style="list-style-type: none"> <li>If Interconnection Customer has elected Partial Termination of Electric Generating Unit 2, then the Participating TO shall have the option, at its sole discretion, not to commence any Construction Activities for any Delivery Network Upgrades associated with the First Sequence.</li> </ul>

**DECISION POINT #3:** Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification, which notification shall be no earlier than July 1, 2011. Parties exercise options as outlined in Table 2.

**Group 4 Milestones and Decision Point #4 for First Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO commences Construction Activities of the Participating TO's Reliability Network Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer commences construction activities of at least one Electric Generating Unit of the First Sequence.</li> </ul>

**DECISION POINT #4:** Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within thirty (30) Calendar Days of the Participating TO's notification, which notification shall be no earlier than November 1, 2011. Parties exercise options as outlined in Table 2.

**Group 5 Milestones and Decision Point #5 for First Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO energizes the Participating TO's Reliability Network Upgrades for the First Sequence, enabling Commercial Operation of the First Sequence of the Generating Facility.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer achieves Initial Synchronization Date for at least one Electric Generating Unit of the First Sequence.</li> </ul>
	<ul style="list-style-type: none"> <li>Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of at least one Electric Generating Unit of the First Sequence.</li> </ul>

DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within ninety (90) Calendar Days of the Participating TO's notification, which shall be no earlier than November 1, 2013. Parties exercise options as outlined in Table 2.

**Group 1 Milestones and Decision Point #1 for the Second Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO applies for Abandoned Plant Approval.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures final Site Exclusivity as defined in the LGIP.</li> </ul>
<ul style="list-style-type: none"> <li>Participating TO commences final design and engineering of the Network Upgrades for the Second Sequence.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer has provided Financial Security in accordance with Section 9 of the LGIP and applicable FERC Orders.</li> </ul>

DECISION POINT #1: Following Participating TO's written notification of Participating TO's completion of all of its Group 1 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.

**Group 2 Milestones and Decision Point #2 for the Second Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
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<ul style="list-style-type: none"> <li>Participating TO receives Abandoned Plant Approval.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer secures all discretionary permits, licenses, and property rights required for the construction of the Second Sequence of the Generating Facility and Interconnection Customer's Interconnection Facilities for the Second Sequence.</li> </ul>
<ul style="list-style-type: none"> <li>Participating TO secures all discretionary permits, licenses, and property rights for the Participating TO's Interconnection Facilities for the Second Sequence and Participating TO's Network Upgrades.</li> </ul>	

**DECISION POINT #2:** : Following Participating TO's written notification of Participating TO's completion of all of its Group 2 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.

**Group 3 Milestones and Decision Point #3 for the Second Sequence**

<b>Participating TO Milestone</b>	<b>Interconnection Customer Milestone</b>
<ul style="list-style-type: none"> <li>Participating TO completes final design and engineering, for the Participating TO's Interconnection Facilities for the Second Sequence, and Participating TO's Network Upgrades.</li> <li>Participating TO notifies Interconnection Customer that Participating TO is prepared to commence Construction Activities within ninety (90) Calendar Days.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Customer selects Engineering, Procurement and Construction ("EPC") contractor.</li> <li>Interconnection Customer secures Financial Close for the Second Sequence or if the Interconnection Customer has not secured Financial Close for the Second Sequence, then the Participating TO shall have the option, at its sole discretion, to not commence any Construction Activities for Network Upgrades associated solely with the Second Sequence prior to Interconnection Customer completing Group 3 Milestones.</li> <li>Upon Interconnection Customer securing Financial Close for the Generating Units 3 &amp; 4, Participating TO shall resume necessary Construction Activities for all Network Upgrades associated with the Second Sequence</li> <li>If Interconnection Customer has elected</li> </ul>

	<del>Partial Termination, the Participating TO is under no obligation to commence Construction Activities for any Network Upgrades associated with the Second Sequence.</del>
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~~DECISION POINT #3: Following Participating TO's written notification of Participating TO's completion of all of its Group 3 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**~~Group 4 Milestones and Decision Point #4 for the Second Sequence~~**

<del>Participating TO Milestone</del>	<del>Interconnection Customer Milestone</del>
<del>• Participating TO commences Construction Activities of the Participating TO's Network Upgrades.</del>	<del>• Interconnection Customer commences Construction Activities of the Second Sequence of the Generating Facility and the Interconnection Customer's Interconnection Facilities for the Second Sequence.</del>

~~DECISION POINT #4: Following Participating TO's written notification of Participating TO's completion of all of its Group 4 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**~~Group 5 Milestones and Decision Point #5 for the Second Sequence~~**

<del>Participating TO Milestone</del>	<del>Interconnection Customer Milestone</del>
<del>• Participating TO energizes the Participating TO's Network Upgrades.</del>	<del>• Interconnection Customer achieves Initial Synchronization Date for at least one Electric Generating Unit of the Second Sequence.</del>
	<del>• Interconnection Customer commences generating electricity for sale, excluding electricity generated during Trial Operation, of at least one Electric Generating Unit of the Second Sequence of the Generating Facility.</del>

~~DECISION POINT #5: Following Participating TO's written notification of Participating TO's completion of all of its Group 5 milestones, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within ninety (90) Calendar Days of the Participating TO's notification. Parties exercise options as outlined in Table 2.~~

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO General Option: At each Decision Point, the Participating TO has the following options:*

~~At each Decision Point as set forth in Table 1 above and Section 14(d)(ii), if the Interconnection Customer is current in meeting its milestones set forth in Table 1 above and Section 14(d)(ii) (as such milestones may be adjusted due to the Interconnection Customer exercising Option 2 in Table 2B below), the Participating TO shall confirm its commitment, subject to Section 14(d)(i), to finance Network Upgrades for the applicable sequence for which the milestones have been met.~~

~~If the Interconnection Customer is not current in meeting its milestones as set forth in Table 1 (as such milestones may be adjusted due to the Interconnection Customer exercising Option 2 in Table 2B below or its suspension rights under Article 5.16 of this LGIA), the Participating TO has the following options:~~

- ~~1. \_\_\_\_\_ Confirm its commitment to finance the applicable Network Upgrades (but have no obligation to do so).~~
- ~~2. \_\_\_\_\_ Discontinue its commitment to finance the applicable Network Upgrades, in which case the Parties shall negotiate amendments to this LGIA pursuant to the discussion in the Recitals to Appendix A and operative provisions of this Appendix A.~~
- ~~3. \_\_\_\_\_ Extend the applicable deadline for Interconnection Customer to satisfy the milestone requirement for the Electric Generating Units.~~
- ~~4. \_\_\_\_\_ Terminate this LGIA, subject to the termination and Partial Termination provisions of this LGIA.~~
- ~~5. \_\_\_\_\_ Other actions mutually agreeable to the Parties.~~

~~The Participating TO will provide written notification to the Interconnection Customer of the option selected.~~

*Table 2B – Interconnection Customer General Option: At each Decision Point, the Interconnection Customer has the following options:*

~~At each Decision Point as set forth in Table 1 above, if the Participating TO is current in meeting its milestones in Table 1 above, the Interconnection Customer shall confirm its non-binding intention to develop the Electric Generating Units for which the milestone has been met.~~

~~If the Participating TO is not current in meeting its milestones as set forth in Table 1 (as such milestones may be adjusted due to the Participating TO exercising Option 2 in Table 2a above), the Interconnection Customer has the following~~

options:

1. ~~Continue to develop the Electric Generating Units for which the milestone has not been met (but have no obligation to do so).~~
2. ~~Adjust its milestones for the applicable Electric Generating Units in Table 1 above, on a day-for-day basis, as appropriate, to the Participating TO's new timetable(s).~~
3. ~~(a) If the Participating TO is not current in meeting its milestones with respect to the First Sequence, the Interconnection Customer shall have the right to (1) terminate the LGIA in its entirety, with resulting disconnection of the First Sequence, and cause the refund of the Partial Termination Charge Security in full to Interconnection Customer, or (2) invoke Partial Termination of this LGIA with respect to Electric Generating Unit 2 pursuant to Article 2.4.4, provided that the Interconnection Customer has previously posted Partial Termination Charge Security for Unit 2.  
(b) If the Participating TO is not current in meeting its milestones with respect to the Second Sequence, the Interconnection Customer shall have the right to invoke Partial Termination of this LGIA in accordance with Article 2.4.4 with respect to either or both Electric Generating Units within the Second Sequence.\*~~
4. ~~Terminate this LGIA, subject to the termination and Partial Termination provisions of this LGIA.~~
5. ~~Other actions mutually agreeable to the Parties.~~

~~The Interconnection Customer will provide written notification to both the CAISO and the Participating TO of the option selected.~~

~~If the Participating TO is unable to complete the Network Upgrades necessary to provide full deliverability to the entire Generating Facility, the Participating TO shall use commercially Reasonable Efforts to pursue alternatives to provide full deliverability to the entire Generating Facility.~~

~~\* The termination provisions provided above (Option 3(a) and (b)) reflect that the Interconnection Customer may invoke a Partial Termination under Section 2.4.4 with respect to those Electric Generating Units for which the Interconnection Customer has previously provided Partial Termination Charge Security, which right of Partial Termination is alternative to the Interconnection Customer's choice of termination of the entire LGIA under Article 2.3 of this LGIA.~~

~~If, within seventy-two (72) months of the Effective Date of the LGIA, the Participating TO has not (i) commenced construction of the West of Devers Network Upgrades or (ii) made commercially Reasonable Efforts to provide an alternative solution for ensuring timely full capacity deliverability status for the Generating Facility, and either (a) the Interconnection Customer (or an owner~~

~~thereof who has signed the Joinder Agreement referred to in Appendix C, Section 7) is in default of a power purchase agreement or cannot perform under a power purchase agreement as a result thereof, or (b) the Parties otherwise reasonably agree that the Interconnection Customer (or any owner thereof who has signed the Joinder Agreement referred to in Appendix C, Section 7) has been harmed as a result of the Participating TO's failure to complete the West of Devers Network Upgrades (or otherwise provide full capacity deliverability status for the Generating Facility) in a timely manner, then the Interconnection Customer shall have the right to invoke a Partial Termination of this LGIA with respect to the Electric Generating Units that the Interconnection Customer reasonably demonstrates to the other Parties it is unable to construct. If Partial Termination is exercised under the terms of the foregoing sentence, the Participating TO and the CAISO shall return the Partial Termination Charge Security applicable to such terminated Electric Generating Units to the Interconnection Customer. Any Partial Termination exercised by the Interconnection Customer, other than in accordance with this paragraph, shall result in the CAISO and the Participating TO liquidating the Partial Termination Charge Security applicable to the terminated Electric Generating Units in accordance with Article 2.4.4.5 of this LGIA.~~

~~e. \_\_\_\_\_ The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 14(d) above shall be at the reasonable discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 14(d) above shall be at the reasonable discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 14.d. above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~f. \_\_\_\_\_ The Participating TO is under no obligation to finance other network upgrades if the Network Upgrades are modified pursuant to the LGIP and such modification results in the Participating TO having to reaffirm Abandoned Plant Approval for the modified Network Upgrades. The Participating TO may seek reaffirmation of Abandoned Plant Approval for any modified Network Upgrades, at its sole discretion. If (i) the reaffirmation of Abandoned Plant Approval for the modified Network Upgrades is not reached within six (6) months (or such longer period mutually agreed to by the Parties) of applying for such reaffirmation, or (ii) the Participating TO does not seek reaffirmation of Abandoned Plant Approval, the Parties agree to amend this LGIA subject to the conditions described in the Recitals to Appendix A portion of this Appendix A. With the exception of Interconnection Customer exercising its Partial Termination rights pursuant to Article 2.4.4, if the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 14.d. above (as such milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above or its suspension rights under Article 5.16 of this LGIA), this failure shall be considered a Breach of this LGIA, subject to the Default and~~

~~Right to Terminate provisions under Article 17 of this LGIA. Each milestone in Table 1 of Section 14.d. shall be subject to the Force Majeure provisions of this LGIA.~~

~~g. \_\_\_\_\_ Notwithstanding anything to the contrary in Table 2A under Section 14.d., Interconnection Customer shall not be in Breach of this LGIA, and the Participating TO shall not have the right to terminate this LGIA, as a result of the Interconnection Customer missing a milestone in Table 1 under Section 14(d), provided that the Parties: (i) reasonably and in good faith negotiate an amendment of this LGIA to provide for Interconnection Customer financing of the Network Upgrades; and (ii) reach agreement on such amendment within sixty (60) Calendar Days after Participating TO's notification of its having exercised option 2 or 4 under Appendix A, Section 14.d., Table 2A.~~

~~h. \_\_\_\_\_ Each Party shall provide the other Parties with a monthly status report, including all supporting documentation, to verify that Party's progress on the milestones outlined in Table 1 under Section 14.d. above.~~

~~i. \_\_\_\_\_ The Participating TO shall endeavor to file with FERC for Abandoned Plant Approval within sixty (60) Calendar Days of execution and filing of this LGIA.~~

~~j. \_\_\_\_\_ At no time will the Participating TO require payment from the Interconnection Customer for any Network Upgrades for which Abandoned Plant Approval has been obtained, provided that the costs of such Network Upgrades are incurred while the Interconnection Customer is current with meeting its development milestones pursuant to Section 14.d..~~

~~**15. \_\_\_\_\_ Supplemental Billing and Payment Provisions:**~~

~~a. \_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Distribution Upgrades Payment, Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~b. \_\_\_\_\_ Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date for the applicable First Sequence and Second Sequence, each month the Participating TO will render bills to the Interconnection Customer for the applicable Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Appendix A, Section 16 of this LGIA, and shall be subject to later adjustment pursuant to Section 15.b.(i) and 15.b.ii. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

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~~i. \_\_\_\_\_ If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will bill Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~ii. \_\_\_\_\_ If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Participating TO will credit Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.~~

~~c. \_\_\_\_\_ In the event that any portion of Participating TO's Interconnection Facilities is not complete but, at the request of Interconnection Customer, Participating TO commences Interconnection Service under this LGIA notwithstanding the incomplete facilities, Participating TO shall commence billing, and Interconnection Customer shall pay, the Interconnection Facilities Charge commencing on the date that such service commences.~~

~~d. \_\_\_\_\_ In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~i. \_\_\_\_\_ For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~ii. \_\_\_\_\_ Except as provided in Section 8.d. above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

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~~iii. Except as provided in Section 8.d. above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~e. As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~f. If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 13 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~g. The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection~~

~~Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

~~h. \_\_\_\_\_ In accordance with the Letter Agreement, this LGIA will supersede the Letter Agreement upon the Effective Date and Interconnection Customer's deposits made pursuant to the Letter Agreement will be credited to the amounts due under this LGIA.~~

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**16. ~~Distribution Upgrades Cost, Reliability Network Upgrades Cost, Delivery Network Upgrades Cost and Interconnection Facilities Cost Summary:~~**

~~(All amounts listed in the following table are shown in nominal dollars (which are calculated using the 2010 dollars increased by the compounded rate of inflation for the year 2017 at 2.65% average rate)~~

~~Estimated Cost:~~

<del>Element-</del>	<del>Interconnection Facilities Cost</del>	<del>Distribution Upgrade Costs</del>	<del>Plan-of-Service Reliability Network Upgrades Cost<sup>2</sup></del>	<del>Delivery Network Upgrades Cost<sup>**</sup></del>	<del>Reliability Network Upgrades Costs<sup>2</sup></del>	<del>One-Time Cost</del>	<del>IFCC<sup>2</sup></del>
<del>PTO's Interconnection Facilities</del>	<del>Electric Generating Units 1 &amp; 2: \$11,830,000 Electric Generating Units 3 &amp; 4: \$1,241,000</del>						<del>Electric Generating Units 1 &amp; 2: \$4,141,000 Electric Generating Units 3 &amp; 4: \$434,000</del>
<del>Distribution Upgrades</del>		<del>\$0</del>					
<del>Plan-of-Service Reliability Network Upgrades</del>			<del>Electric Generating Units 1 &amp; 2: \$1,784,000 Electric Generating Units 3 &amp; 4: \$2,948,000</del>				
<del>Reliability Network Upgrades</del>					<del>Electric Generating Units 1 &amp; 2: \$53,409,000 Electric Generating Units 3 &amp; 4: \$2,325,000</del>		
<del>Delivery Network Upgrades</del>				<del>Electric Generating Units 1 &amp; 2: \$28,000,000 Electric Generating Units 3 &amp; 4: \$179,944,000</del>			
<del>Total</del>		<del>\$0</del>					



**17. Interconnection Facilities Charge:**

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

		Estimated		Actual	
Interconnection Facilities Charge Effective Date	Customer-Financed Monthly Rate	Interconnection Facilities Cost	Interconnection Facilities Charge Based on Estimated Cost	Actual Interconnection Facilities Cost	Interconnection Facilities Charge based on actual cost
As of the Interconnection Facilities Completion Date for the applicable sequence	0.38%	Electric Generating Units 1 & 2: \$11,830,000 Electric Generating Units 3 & 4: \$1,241,000	Electric Generating Units 1 & 2: \$44,954.00 Electric Generating Units 3 & 4: \$4,715.80	{to be inserted after true-up}	{to be inserted after true-up}

**18. Payment Schedule:**

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

First Sequence Payment Schedule:

Payment No.	Payment Due Date	Interconnection Facilities Cost	Total Payment Amount
		-	-

1	11/30/10	\$ 9,000	\$ 9,000
2	12/15/10	135,000	135,000
3	1/1/11	135,000	135,000
4	2/1/11	237,000	237,000
5	3/1/11	251,000	251,000
6	4/1/11	251,000	251,000
7	5/1/11	251,000	251,000
8	6/1/11	251,000	251,000
9	7/1/11	251,000	251,000
10	8/1/11	251,000	251,000
11	9/1/11	251,000	251,000
12	10/1/11	258,000	258,000
13	11/1/11	258,000	258,000
14	12/1/11	261,000	261,000
15	1/1/12	278,000	278,000
16	2/1/12	384,000	384,000
17	3/1/12	398,000	398,000
18	4/1/12	413,000	413,000
19	5/1/12	430,000	430,000
20	6/1/12	444,000	444,000
21	7/1/12	464,000	464,000
22	8/1/12	373,000	373,000
23	9/1/12	497,000	497,000
24	10/1/12	588,000	588,000
25	11/1/12	668,000	668,000
26	12/1/12	573,000	573,000
27	1/1/13	435,000	435,000
28	2/1/13	351,000	351,000
29	3/1/13	380,000	380,000
30	4/1/13	417,000	417,000
31	5/1/13	443,000	443,000
32	6/1/13	412,000	412,000
33	7/1/13	337,000	337,000
34	8/1/13	237,000	237,000
35	9/1/13	157,000	157,000
36	10/1/13	101,000	101,000
<b>Totals</b>		<b>\$ 11,830,000</b>	<b>\$ 11,830,000</b>

Second Sequence Payment Schedule:

Payment No.	Payment Due Date	Interconnection Facilities Cost	Total Payment Amount
		-	-
1	1/1/16	\$ 4,000	\$ 4,000
2	2/1/16	4,000	4,000
3	3/1/16	4,000	4,000
4	4/1/16	4,000	4,000
5	5/1/16	4,000	4,000
6	6/1/16	4,000	4,000
7	7/1/16	4,000	4,000
8	8/1/16	4,000	4,000
9	9/1/16	4,000	4,000
10	10/1/16	4,000	4,000
11	11/1/16	4,000	4,000
12	12/1/16	4,000	4,000
13	1/1/17	4,000	4,000
14	2/1/17	4,000	4,000
15	3/1/17	8,000	8,000
16	4/1/17	12,000	12,000
17	5/1/17	15,000	15,000

18	6/1/17	19,000	19,000
19	7/1/17	22,000	22,000
20	8/1/17	25,000	25,000
21	9/1/17	30,000	30,000
22	10/1/17	38,000	38,000
23	11/1/17	65,000	65,000
24	12/1/17	104,000	104,000
25	1/1/18	137,000	137,000
26	2/1/18	106,000	106,000
27	3/1/18	95,000	95,000
28	4/1/18	56,000	56,000
29	5/1/18	58,000	58,000
30	6/1/18	68,000	68,000
31	7/1/18	84,000	84,000
32	8/1/18	79,000	79,000
33	9/1/18	74,000	74,000
34	10/1/18	61,000	61,000
35	11/1/18	28,000	28,000
36	12/31/18	1,000	1,000
<b>Totals</b>		<b>\$ 1,241,000</b>	<b>\$ 1,241,000</b>

Interconnection Facilities Payment = (Interconnection Facilities Cost + associated One-Time Cost) = \$13,071,000

Distribution Upgrades Payment = (Distribution Upgrades Cost + associated One-Time Cost) = \$0

Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$0 since the Participating TO has agreed to finance the Participating TO's Reliability Network Upgrades, subject to Appendix A, Section 14(d).

Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$0 since the Participating TO has agreed to finance the Participating TO's Delivery Network Upgrades, subject to Appendix A, Section 14(d).

ITCC will be provided by Interconnection Customer in accordance with Appendix A, Section 11.

**Appendix B  
To LGIA**

**Milestones**

~~1. \_\_\_\_\_ **The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.~~

~~2. \_\_\_\_\_ **First Sequence Milestone Dates:**~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
<del>(a)</del>	<del>Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the execution of this LGIA</del>
<del>(b)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities and Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA.</del>	<del>Interconnection Customer</del>	<del>Within ten (10) Calendar Days of the Effective Date</del>
<del>(c)</del>	<del>Submittal of second posting of Interconnection Financial Security for the Participating TO's First Sequence Interconnection Facilities</del>	<del>Interconnection Customer</del>	<del>Within one hundred eighty (180) Calendar Days after publication of the final Phase II Interconnection Study Report (January 7, 2011)</del>
<del>(d)</del>	<del>Submittal of third posting of Interconnection Financial Security for the Participating TO's First Sequence Interconnection Facilities</del>	<del>Interconnection Customer</del>	<del>On or before the start of Construction Activities of the First Sequence Network Upgrades</del>
<del>(e)</del>	<del>Submittal of written authorization to proceed with construction of the Participating TO's First Sequence Interconnection</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Effective Date</del>

	<del>Facilities and the First Sequence Network Upgrades to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA</del>		
<del>(d)</del>	<del>Submittal of written authorization to proceed with construction of the First Sequence facilities to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Within thirty (30) Calendar Days of the Effective Date</del>
<del>(e)</del>	<del>Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>Incorporated within applicable Interconnection Facility Security postings</del>
<del>(f)</del>	<del>Completion of the Participating TO's First Sequence Interconnection Facilities and Network Upgrades</del>	<del>Participating TO</del>	<del>First Sequence Interconnection Facilities: By November 1, 2013*  First Sequence Reliability Network Upgrades: By November 1, 2013*</del>
<del>(g)</del>	<del>Submittal of initial specifications for the Interconnection Customer's First Sequence Interconnection Facilities and the First Sequence of the Blythe Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date for the first unit of the First Sequence.</del>
<del>(h)</del>	<del>Initial information submission which shall include the</del>	<del>Participating TO</del>	<del>At least one hundred eighty (180)</del>

	<del>Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del>		<del>Calendar Days prior to Trial Operation of the first unit of the First Sequence</del>
<del>(i)</del>	<del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del>	<del>Interconnection Customer</del>	<del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation of the first unit of the First Sequence</del>
<del>(j)</del>	<del>Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(k)</del>	<del>Submittal of final specifications for the Interconnection Customer's First Sequence Interconnection Facilities and the First Sequence of the Blythe Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date for the first unit of the First Sequence</del>
<del>(l)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications for the First Sequence.</del>
<del>(m)</del>	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least three (3) months prior to the Initial Synchronization Date for the First Sequence (as</del>

			applicable)
<del>(n)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date for the first unit of the First Sequence.</del>
<del>(o)</del>	<del>In-service date for one of the two First Sequence Electric Generating Units</del>	<del>Interconnection Customer</del>	<del>First Sequence: November 1, 2013, subject to financial close.</del>
<del>(p)</del>	<del>Initial Synchronization Date/ of one of the two First Sequence Electric Generating Units begins</del>	<del>Interconnection Customer</del>	<del>First Sequence: November 1, 2013, subject to Financial Close.</del>
<del>(q)</del>	<del>Performance of a complete calibration test and functional trip test of the First Sequence System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date for the First Sequence (as applicable)</del>
<del>(r)</del>	<del>Testing of the Participating TO's First Sequence Interconnection Facilities, Distribution Upgrades and First Sequence Network Upgrades and testing of the Interconnection Customer's First Sequence Interconnection Facilities and First Sequence of the Blythe Solar Power Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date for the First Sequence (as applicable).</del>
<del>(s)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the First Sequence of the Blythe Solar Power Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date for the First Sequence (as applicable)</del>

(t)	<del>Commercial Operation Date for the First Sequence.</del>	<del>Interconnection Customer</del>	<del>Blythe Solar Power Project First Sequence, Unit 1: November 1, 2013, subject to Financial Close  First Sequence, Unit 2: April 1, 2014, subject to Financial Close.</del>
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**3. ~~Second Sequence Milestone Dates:~~**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
<del>(a)</del>	<del>Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA for the Second Sequence of the Generating Facility</del>	<del>Interconnection Customer</del>	<del>(December 1, 2010)</del>
<del>(b)</del>	<del>Submittal of written authorization to proceed with design and procurement of the Participating TO's Second Sequence Interconnection Facilities and Second Sequence Network Upgrades to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA.</del>	<del>Interconnection Customer</del>	<del>(January 1, 2015)</del>
<del>(c)</del>	<del>Submittal of second posting of Interconnection Financial Security for the Participating TO's Second Sequence Interconnection Facilities</del>	<del>Interconnection Customer</del>	<del>(January 1, 2015)</del>
<del>(d)</del>	<del>Submittal of third posting of Interconnection Financial Security for the Participating TO's Second</del>	<del>Interconnection Customer</del>	<del>On or before the start of Construction Activities of the</del>

	Sequence Interconnection Facilities		Second Sequence Network Upgrades
(e)	Submittal of one hundred eighty (180) Calendar Day notice of construction of Second Sequence Interconnection Facilities and Network Upgrades pursuant to Appendix A, Section 14.	Participating TO	One hundred eighty (180) Calendar Days prior to start of Construction Activities of Second Sequence Interconnection Facilities and Network Upgrades
(f)	Submittal of written authorization to proceed with construction of the Participating TO's Second Sequence Interconnection Facilities and the Second Sequence Network Upgrades to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA and Appendix A, Section 14.	Interconnection Customer	No later than one hundred fifty (150) Calendar Days following receipt of the one hundred eighty (180) Calendar day notice of Construction of Second Sequence Interconnection Facilities and Network Upgrades pursuant to Appendix A, Section 14.
(g)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Incorporated within applicable Interconnection Facility security postings
(h)	Completion of the Participating TO's Second Sequence Interconnection Facilities and Network Upgrades	Participating TO	Second Sequence Interconnection Facilities: Within seventy-two (72) months following the Effective Date*  Second Sequence Reliability Network Upgrades:

			<p><del>Within seventy-two (72) months following the Effective Date*</del></p> <p><del>Second Sequence Delivery Network Upgrades: Within eighty-four (84) months following the Effective Date*</del></p>
(i)	<p><del>Submittal of initial specifications for the Interconnection Customer's Second Sequence Interconnection Facilities and the Second Sequence of the Blythe Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA</del></p>	<p><del>Interconnection Customer</del></p>	<p><del>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date for the Second Sequence</del></p>
(j)	<p><del>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</del></p>	<p><del>Participating TO</del></p>	<p><del>At least one hundred eighty (180) Calendar Days prior to Trial Operation of the Second Sequence.</del></p>
(k)	<p><del>Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA</del></p>	<p><del>Interconnection Customer</del></p>	<p><del>No later than one hundred eighty (180) Calendar Days prior to Trial Operation of the Second Sequence.</del></p>
(l)	<p><del>Review of and comment</del></p>	<p><del>Participating TO and</del></p>	<p><del>Within thirty (30)</del></p>

	<del>on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>CAISO</del>	<del>Calendar Days of the Interconnection Customer's submission of initial specifications</del>
<del>(m)</del>	<del>Submittal of final specifications for the Interconnection Customer's Second Sequence Interconnection Facilities and the Second Sequence of the Blythe Solar Power Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</del>	<del>Interconnection Customer</del>	<del>At least ninety (90) Calendar Days prior to the Initial Synchronization Date for the first unit of the Second Sequence.</del>
<del>(n)</del>	<del>Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA</del>	<del>Participating TO and CAISO</del>	<del>Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications</del>
<del>(o)</del>	<del>Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2</del>	<del>Interconnection Customer</del>	<del>At least three (3) months prior to the Initial Synchronization Date for the Second Sequence (as applicable).</del>
<del>(p)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the In-Service Date for the Second Sequence (as applicable).</del>
<del>(q)</del>	<del>In-Service Date</del>	<del>Interconnection Customer</del>	<del>Blythe Solar Power Project, Second Sequence: May 1, 2017</del>
<del>(r)</del>	<del>Initial Synchronization Date for the Second</del>	<del>Interconnection Customer</del>	<del>Blythe Solar Power Project, Second</del>

	<del>Sequence.</del>		<del>Sequence: June 1, 2017, subject to financial close.</del>
<del>(s)</del>	<del>Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date for the Second Sequence (as applicable).</del>
<del>(t)</del>	<del>Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and Blythe Solar Power Project in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Initial Synchronization Date for the Second Sequence (as applicable).</del>
<del>(u)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Second Sequence of the Blythe Solar Power Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date for the Second Sequence.</del>
<del>(v)</del>	<del>Commercial Operation Date of the Second Sequence.</del>	<del>Interconnection Customer</del>	<del>Blythe Solar Power Project, Second Sequence: July 1, 2017</del>

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

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period except for the milestones requiring posting of Interconnection Financial Security for the Network Upgrades common to multiple generating stations. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone dates.~~

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

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## **Appendix C To LGIA**

### **Interconnection Details**

~~1. \_\_\_\_\_ The Generating Facility includes, but is not limited to, all equipment and facilities comprising the proposed 1,000 MW generating facility, consisting of four solar thermal Electric Generating Units, each rated at 250 MW, near Blythe, California, as disclosed by the Interconnection Customer in its Interconnection Request, dated January 15, 2008, as amended during the Interconnection Study process. The Generating Facility consists of four (4) Toshiba synchronous steam generators using parabolic trough field technology each rated at 300 MVA each (but limited to a maximum output of 250 MW), four (4) 220/18.0kV 350MVA step-up transformers with 8% impedance on a 210 MVA base, meters and metering equipment, and appurtenant equipment (together the “Blythe Solar Power Project” or the “Generating Facility”).~~

#### ~~2. \_\_\_\_\_~~ **Interconnection Customer Operational Requirements.**

~~• \_\_\_\_\_ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Blythe Solar Power Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, NERC and the Applicable Reliability Council requirements, and Applicable Reliability Standards.~~

~~• \_\_\_\_\_ The Blythe Solar Power Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; power factor or reactive power outside permitted limits; and abnormal waveforms.~~

#### ~~3. \_\_\_\_\_~~ **Interconnection Principles:**

~~• \_\_\_\_\_ This LGIA provides for interconnection of a total capacity of 1,000 MW, resulting from the interconnection of the Blythe Solar Power Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~

~~• \_\_\_\_\_ The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Blythe Solar Power Project to the Participating TO’s electrical~~

~~system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures. If applicable, Interconnection Customer shall enter into an agreement with such third parties to address any required mitigation in accordance with Section 12.4 of the LGIP.~~

~~• In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~• Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Blythe Solar Power Project or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Blythe Solar Power Project or the Interconnection Customer's Interconnection Facilities.~~

~~• Interconnection Customer shall include Participating TO's Interconnection Facilities, Distribution Upgrades and Participating TO's Reliability Network Upgrades described in Appendix A of this LGIA in all environmental impact studies for the Generation Facility, to the extent required by applicable law. Interconnection Customer shall provide the results of such studies and approvals to Participating TO for use in Participating TO's application(s) to obtain the regulatory approvals required to be obtained by Participating TO for the construction, operation, and maintenance of the Participating TO's Interconnection Facilities, Distribution Upgrades and Reliability Network Upgrades described in Appendix A of this LGIA.~~

~~• The Interconnection Customer is responsible for all costs associated with any necessary relocation of any Participating TO facilities as a result of the Blythe Solar Power Project and acquiring all property rights necessary for the Interconnection Customer's Interconnection Facilities, including those required to cross the Participating TO's facilities and property. The relocation of Participating TO facilities or use of Participating TO property rights shall only be permitted upon written agreement between Participating TO and the Interconnection Customer. Any proposed relocation of Participating TO facilities or use of Participating~~

~~TO property rights may require a study and/or evaluation, the cost of which would be borne by the Interconnection Customer, to determine whether such use may be accommodated. The terms and conditions of any such use of Participating TO facilities or property rights would be the subject of a separate agreement and any associated costs to the Interconnection Customer would not be considered a Network Upgrade and would not be refundable to the Interconnection Customer, pursuant to Article 11.4 of this LGIA.~~

~~• This LGIA does not address any requirements for standby power or temporary construction power that the Blythe Solar Power Project may require prior to the in-service date of the Interconnection Facilities. Should the Blythe Solar Power Project require standby power or temporary construction power from Participating TO prior to the actual In-Service Date of the Interconnection Facilities, the Interconnection Customer is responsible to make appropriate arrangements with Participating TO to receive and pay for such retail service.~~

#### ~~4. Cluster Study Group:~~

~~• The Blythe Solar Power Project participated in the CAISO's Eastern Bulk System cluster for purposes of assessing impacts to the Participating TO's electrical system and that portion of the Participating TO's electrical system that constitutes the CAISO Controlled Grid.~~

#### ~~5. Interconnection Operations:~~

~~• The Interconnection Customer shall cause the Blythe Solar Power Project to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and the CAISO Tariff. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the Blythe Solar Power Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS beyond that which has already been identified in the Phase II Interconnection Study and this LGIA.~~

~~• The Interconnection Customer shall cause the Blythe Solar Power Project to participate in CAISO congestion management in accordance with the CAISO Tariff.~~

~~• Following outages of the Interconnection Facilities or the Blythe Solar Power Project, the Interconnection Customer shall not energize the Blythe Solar Power Project for any reason without specific permission from~~

~~the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~• The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~• The Interconnection Customer has elected for the Blythe Solar Power Project to have full capacity deliverability status as such term is defined in the CAISO Tariff. Subject to the sequencing described in Appendix A, Interconnection Customer acknowledges and understands that, until the Participating TO's Delivery Network Upgrades are constructed and placed in service, the Blythe Solar Power Project will have Energy-Only Deliverability Status as such term is defined in the CAISO Tariff.~~

~~Additional operational studies may be performed by the Participating TO on an as needed basis and at the Interconnection Customer's expense to confirm if any of the circuit breaker upgrades or replacements identified in the Phase II Interconnection Study as being triggered by queued ahead projects are required to be advanced in order to accommodate interconnection of the Blythe Solar Power Project. In the event that it is determined by the Participating TO that any such upgrades or replacements are required to be advanced in order to accommodate interconnection of the Blythe Solar Power Project, such advancement shall be addressed in accordance with Section 12.2.2 of the LGIP.~~

~~**6. Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Blythe Solar Power Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A, Section 5.~~

~~**7. Interconnection Customer Ownership Structure:** The Parties acknowledge and agree that the Interconnection Customer may elect to structure the legal ownership of the entire Generating Facility referenced in this LGIA, known as the Blythe Solar Power Project, in order to divide its ownership into three, or four, separate legal entity owners so long as each such owner is an Affiliate of one another and each owns one or more discrete Electric Generating Unit(s) and other~~

~~physical components of the entire Generating Facility in a manner that is consistent with the "Recitals to Appendix A". Each of these Affiliates shall be an owner of the Interconnection Customer and shall own a pro-rata share of the Interconnection Customer in proportion to the amount of the entire Blythe Solar Power Project's electrical capacity that the Affiliate controls. But, in no event, shall such Affiliate's percentage ownership be less than 25% of the Interconnection Customer. The Parties further acknowledge and agree that:~~

- ~~i. \_\_\_\_\_ the ownership structure of the Blythe Solar Power Project shall be detailed in the Interconnection Customer's Operating Agreement ("Operating Agreement") that shall contain the terms and conditions listed below in subsections (a) through (c) and which shall be subject to the review and reasonable approval of the Participating TO and the CAISO; and~~
- ~~ii. \_\_\_\_\_ each of the Affiliate owners of the Interconnection Customer shall be required to have executed a joinder agreement by which each Affiliate owner agrees to both (1) be bound by and subject to the obligations and responsibilities of the Interconnection Customer under this LGIA and (2) assume joint and several liability for such obligations and responsibilities, as if each Affiliate owner were a party to the LGIA (such agreement to be referred to herein as the "Joinder Agreement").~~

~~The Joinder Agreement shall be in a form subject to review and reasonable approval of the CAISO and the Participating TO.~~

- ~~a) The division of Affiliate ownership in the Generating Facility shall not exceed the number of phases or Electric Generating Units designated by the Interconnection Customer for purposes of Partial Termination.~~
- ~~b) The Interconnection Customer shall serve as agent for its Affiliate owners who receive the benefits of the Interconnection Customer's rights under this LGIA; however, the Interconnection Customer's Affiliate owners are not parties to this LGIA and such benefits shall be derived solely by and through the Interconnection Customer. The Interconnection Customer's Affiliate owners shall receive any benefits of the Interconnection Customer's rights only to the extent of those Interconnection Customer's rights are provided for under this LGIA. Additionally, such benefits shall exist only for such period of time as the Interconnection Customer is a Party to this LGIA. Notwithstanding any provision to the contrary in the anticipated Blythe Solar Power Project Operating Agreement, no provision in either that Operating Agreement or this LGIA shall operate or be construed so as to:~~

- ~~i. \_\_\_\_\_ relieve the Interconnection Customer of its obligations to the Participating TO or the CAISO under this LGIA;~~
- ~~ii. \_\_\_\_\_ require either the Participating TO or the CAISO to communicate directly with, or look to, the Interconnection Customer's Affiliate owners with respect to the Interconnection Customer's performance under this LGIA;~~
- ~~iii. \_\_\_\_\_ entitle any of the Interconnection Customer's Affiliate owners to receive any notice under the LGIA from the Participating TO or the CAISO; or,~~

~~iv. \_\_\_\_\_ provide any rights or benefits under the LGIA to the Interconnection Customer's Affiliate owners other than by or through the Interconnection Customer, as provided in and as limited by this paragraph.~~

~~c) The Operating Agreement shall require the Interconnection Customer to communicate with its Affiliate owners in order to ensure that all requirements of this LGIA are performed by the Interconnection Customer. The Operating Agreement shall further require that each of the Interconnection Customer's Affiliate owners comply with the Interconnection Customer's instructions, in order to ensure that the Interconnection Customer complies with the provisions of this LGIA. No failure by any of the Interconnection Customer's Affiliate owners to comply with any instructions from the Interconnection Customer shall excuse the Interconnection Customer from performance of any of its obligations under this LGIA. The Operating Agreement and the Joinder Agreement shall each provide that each Affiliate owner shall have and maintain a credit rating that is equal to or greater than the credit rating of that the Interconnection Customer had as of execution of this LGIA and that each owner has both the legal authority and the operational abilities to satisfy the obligations of this LGIA. The Operating Agreement and the Joinder Agreement shall each further provide that the Interconnection Customer's Affiliate owners shall be jointly and severally liable to the Participating TO and CAISO for any obligations and liabilities of the Interconnection Customer arising out of this LGIA.~~

~~d) The Interconnection Customer and each of its Affiliate owners shall agree in the Operating Agreement not to assign any claims of benefit, under that Operating Agreement, to any third party. However, each of the Interconnection Customer's Affiliate owners shall have the right to assign for collateral security purposes, for financing of the Blythe Solar Power Project, any of that Affiliate owner's respective rights and obligations under the Operating Agreement.~~

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## **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>.~~

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**Appendix E  
To LGIA**

**Commercial Operation Dates**

~~[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. The Interconnection Customer shall send separate such letters for the First Sequence and for the Second Sequence.]~~

**[Date]**

~~Mr. Stephen Rutty  
Manager, Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770~~

~~Re: Palo Verde Solar II, LLC-Blythe Solar Power Project Electric Generating Unit~~

~~Dear Messrs. Rutty, Kott, and Law:~~

~~On **[Date]** Palo Verde Solar II, LLC has completed Trial Operation of Blythe Solar Power Project Unit No. \_\_\_\_\_. This letter confirms that Palo Verde Solar II, LLC commenced Commercial Operation of Blythe Solar Power Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]** and that Palo Verde Solar II, LLC 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]**

~~cc: Linda Wright~~

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

General Notices:

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630</del>	<del>Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770</del>	<del>Palo Verde Solar II, LLC c/o Solar Millennium, LLC Attn: General Counsel 1111 Broadway, 5<sup>th</sup> Floor, Oakland, CA 94607 Phone: 510.524.4517</del>

**2. \_\_\_\_\_ Operating Communications and  
Notifications:**

The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:

The Parties agree to exchange the following information ten (10) Calendar Days prior to the Initial Synchronization Date.

<del>CAISO</del>	<del>PARTICIPATING TO (Southern California Edison Company)</del>	<del>INTERCONNECTION CUSTOMER Palo Verde Solar II, LLC</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:</del>
<del>Alternate Phone:</del>		<del>*Operation Center Fax. No.: *E-mail:</del>

**3. \_\_\_\_\_ Operational Matters, Force Majeure, and  
Outage Notices:**

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name: Phone:</del>	<del>Name/Title: Phone:</del>	<del>Palo Verde Solar II, LLC c/o Solar Millennium, LLC</del>

		Attn: Trevor Thor 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 510.524.4517
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4. \_\_\_\_\_ For Emergencies:

CAISO	Participating TO	Interconnection Customer
Name: Phone:	Name/Title: Phone:	Palo Verde Solar II, LLC c/o Solar Millennium, LLC Attn: Trevor Thor 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 925.354.0569

5. \_\_\_\_\_ Billing and Payments:

CAISO	Participating TO	Interconnection Customer
Finance Dept. Mr. Dennis Estrada 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing P. O. Box 600 Rosemead, CA 91770	Palo Verde Solar II, LLC c/o Solar Millennium, LLC Accounting Dept 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 510.524.4517

6. \_\_\_\_\_ Alternate Forms of Delivery of Notices  
(telephone, facsimile or e-mail):

CAISO	Participating TO	Interconnection Customer
Ms. Linda Wright 151 Blue Ravine Rd. Folsom, CA 95630	Manager, Grid Contracts Administration and Billing Tel: (626) 302-9640 Fax: (626) 302-1152	Palo Verde Solar II, LLC c/o Solar Millennium, LLC Attn: General Counsel 1111 Broadway, 5 <sup>th</sup> Floor Oakland, CA 94607 Phone: 510.524.4517 Fax: 510.463.6457

## Appendix G To LGIA

### Interconnection Customer's Proportional Share of Costs of Network Upgrades for Applicable Project Group

\*The \$\$ amount listed in the following table are in 2010 dollars as provided in the Phase II Interconnection Facilities Report

Type	Upgrades	Needed For	Cost factor	Cost Share* (\$1000)
Delivery	West of Devers 220kV upgrades: Reconductoring four 230kV lines of West of Devers.	Normal and contingency overload	42.70%	\$163,748
Delivery	Expand Colorado River (CR) Substation: add the second 500/220 AA transformer banks, rated at 1120 MVA as normal rating.	Normal overload on the first Colorado River 500/230 kV transformer	60.61%	\$25,480
Reliability	Expand Colorado River (CR) Substation: Build CR 500/220 kV Substation with a new 500/220 AA transformer banks, rated at 1120 MVA as normal rating.	Interconnect the new generators at Colorado River 230 kV bus	60.61%	\$34,382
Reliability	Loop-in the Red Bluff (RB) 500/220 kV Substation into the Colorado—Devers 500 kV #2 line	To balance power flow on DPV 1 and DPV 2 lines	46.51%	\$15,017
Reliability	Replace the line raiser on Mira Loma—Vista 220 kV #2 line to 3500amps or higher	Emergency overload in off-peak reliability study	45.46%	\$48
Reliability	Develop a SPS to trip 1400MW TC2 generation to mitigate dynamic voltage violations under the N-2 of Devers—RedBluff No.1 and No.2 500 kV lines.	Dynamic voltage violation under N-2 contingency	46.51%	\$345
Reliability	Develop a SPS to trip 500 MW TC2 generation at the Colorado River 500/220 kV substation to mitigate the overload by on one AA bank for the loss of another AA bank (T-1 contingency)	Emergency overload	60.61%	\$2,115

Plan of Service Reliability Network Upgrade	Substation, Power System Control	Direct Assigned Network upgrades needed to enable interconnection.	100.00%	\$4,306
			<b>Total:</b>	<b>\$245,441</b>

~~Appendix H To LGIA  
(Not Applicable to the Blythe Solar Power Project)~~

~~INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY~~

~~Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.~~

~~A. Technical Requirements Applicable to Asynchronous Generating Facilities~~

~~i. Low Voltage Ride-Through (LVRT) Capability~~

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

~~1. \_\_\_\_\_ An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

~~2. \_\_\_\_\_ An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.~~

~~3. Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~

~~4. The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~

~~5. The requirements of this Section A.i. of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.~~

~~6. Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~7. Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~

~~8. The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of May 18, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

---

### **iii. ~~Power Factor Design and Operating Requirements (Reactive Power)~~**

1. ~~Asynchronous Generating Facilities shall meet the following design requirements:~~
  - a. ~~An Asynchronous Generating Facility shall be designed to have sufficient reactive power sourcing capability to achieve a net power factor of 0.95 lagging or less at the Point of Interconnection, at the Generating Facility's maximum Generating Facility Capacity. An Asynchronous Generating Facility shall be designed to have net reactive power sourcing and absorption capability sufficient to achieve or exceed the net reactive power range in Figure 1 as a function of the Point of Interconnection voltage, without exceeding the ratings of any equipment in the Asynchronous Generating Facility. The Point of Interconnection voltage is specified in per-unit of the nominal voltage.~~

---

### **iv. ~~Supervisory Control and Data Acquisition (SCADA) and Automated Dispatch System (ADS) Capability~~**

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

~~An Asynchronous Generating Facility must be able to receive and respond to Automated Dispatch System (ADS) instructions and any other form of communication authorized by the CAISO Tariff. The Asynchronous Generating Facility's response time should be capable of conforming to the periods prescribed by the CAISO Tariff.~~

### **v. ~~Power System Stabilizers (PSS)~~**

~~Power system stabilizers are not required for Asynchronous Generating Facilities.~~

---

**Attachment HH**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 73 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Solar Partners I, LLC, SCE, and ISO, designated as SCE Service Agreement No. 73

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment II - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation  
Service Agreement No. 1511  
Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Solar Partners I, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 73.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 73, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment JJ - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1511**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Solar Partners I, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 73.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 73, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

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

**~~SOLAR PARTNERS I, LLC  
AND~~**

**~~SOUTHERN CALIFORNIA EDISON COMPANY  
AND~~**

**~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~**

---

Proposed Effective Date: February 13, 2010

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Version Number: 0.0.0

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Option Code: A

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# ~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~SOLAR PARTNERS I, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

## ~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~("LGIA") is made and entered into this 2<sup>nd</sup> day of February 2010, by and among Solar Partners I, LLC, formerly DPT Ivanpah, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc., a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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.

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

**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the Participating TO's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or

~~system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.~~

~~**IRS** shall mean the Internal Revenue Service.~~

~~**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~**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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~2.4~~ ~~Termination Costs.~~ If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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.

~~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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7~~ **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~ARTICLE 7. METERING~~

~~7.1 **General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~**9.9** **Use of Interconnection Facilities by Third Parties.**~~

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

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

~~**9.10** **Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.

**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5** **Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~11.5.1~~ The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

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

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

~~11.6~~ **Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3** \_\_\_\_\_ **Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4** \_\_\_\_\_ **Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

By: James A. Kelly

Title: Senior Vice President

Date: \_\_\_\_\_

**California Independent System Operator Corporation**

By: Keith E. Casey, PH.D

Title: Vice President, Market & Infrastructure Development

Date: February 2, 2010

**Solar Partners I, LLC**

By: John Woolard

Title: President & CEO

Date: January 27, 2010



## Appendices to LGIA

Appendix A Interconnection Facilities, Network Upgrades and Distribution Upgrades

Appendix B Milestones

Appendix C Interconnection Details

Appendix D Security Arrangements Details

Appendix E Commercial Operation Date

Appendix F Addresses for Delivery of Notices and Billings

Appendix G Reliability Management System Agreement

Appendix H Interconnection Requirements for a Wind Generating Plant

## Appendix A To LGIA

### Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. ~~\_\_\_\_\_~~ **Interconnection Facilities:**
  - (a) ~~\_\_\_\_\_~~ **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall
    - (i) ~~\_\_\_\_\_~~ Prepare a grading and drainage plan showing the finished substation pad for the Participating TO's new 220/115 kV interconnection substation (hereinafter referred to as "Ivanpah Substation") graded to meet Participating TO's size and slope requirements. The substation pad which includes the fenced-in substation (measuring 850 feet by 885 feet) and a 10 foot wide buffer around the entire station is 870 feet by 905 feet. This does not include any side slope areas needed to transition from the graded pad to the natural desert floor. The design needs to provide drainage improvements that protect the Ivanpah Substation site from up-slope surface run-off and prevent down-slope erosion or other damage due to uncontrolled water flow. The design also needs to provide an access road extending from the Interconnection Customer's planned roadway network. The Interconnection Customer provided to the Participating TO its existing geotechnical study of the Ivanpah Substation site ("Converse Consultants' Geotechnical Study prepared for Bright Source Energy, Dated October 18, 2009"). The Interconnection Customer shall grade the site and access road in accordance with the grading plan, as approved by the Participating TO.
    - (ii) ~~\_\_\_\_\_~~ Install one 78/100/130 MVA , 115/13.8 kV main transformer or an alternate transformer as approved in advance and writing by the CAISO and Participating TO.
    - (iii) ~~\_\_\_\_\_~~ Install one 115 kV generation tie-line approximately one-mile long from the DPT 1 Project Generating Facility to the last structure owned by the Interconnection Customer outside of and nearest to the perimeter fence of the Ivanpah Substation. The generation tie-line shall be equipped with optical ground wire ("OPGW") to provide the telecommunication path required for the line protection and one of the two telecommunication paths required for the Special Protection System ("SPS").
    - (iv) ~~\_\_\_\_\_~~ Install all required CAISO-approved compliant metering at the DPT 1 Project.
    - (v) ~~\_\_\_\_\_~~ Provide a metering cubicle for the Participating TO to install its retail metering equipment and related meters. Such cubicle must be placed at a location that would allow twenty-four hour access for the Participating TO's metering personnel.
    - (vi) ~~\_\_\_\_\_~~ Install the following line protection relays at the termination point of the DPT 1 Project's 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:

- One General Electric (GE) L90 current differential relay with dual dedicated digital communication channels to Ivanpah Substation.
- One Schweitzer SEL 311L current differential relay with dual dedicated digital communication channels to Ivanpah Substation.
- (vii) Install the following SPS relays at the termination point of the DPT 1 Project 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:
  - Two GE N60 relays (for the SPS) to trip the main generator breaker.
  - One SEL – 2407 satellite synchronized clock.
- (viii) Provide adequate space and power sources within the Interconnection Customer's facilities for the installation of the Participating TO's telecommunications terminal equipment interfacing with the Interconnection Customer's 115 kV generation tie-line protection and SPS relays described in Section 1(a)(vii) above and the Participating TO's Remote Terminal Unit ("RTU") installed at the DPT 1 Project's Generating Facility.
- (ix) Install disconnect facilities in accordance with Section 5.11 of the Participating TO's Interconnection Handbook to comply with the Participating TO's switching and tagging procedures.

**(b) Participating TO's Interconnection Facilities:**

**(i) Telecommunications:**

**A. Deed-To Telecommunications Facilities (as defined in Section 7 of this Appendix A):**

The Interconnection Customer shall:

- Engineer, design, construct and install the following items, except as otherwise specified in Section 1(b)(i)B below and in accordance with the Participating TO's list of approved suppliers; materials specifications; and engineering, design and construction guidelines and specifications (together, the "Participating TO's Specifications"):
  - Terminal equipment at the DPT 1 Project Generating Facility to support the 115 kV generation tie-line protection and SPS-1 and SPS-2 relays.
  - Fiber optic cable from the nearest Interconnection Customer structure or underground conduit, or other structure or location, agreed to by the Parties, outside of the Ivanpah Substation fence to the DPT 1 Project Generating Facility to provide the second telecommunications path required for the SPSs.

- Provide all engineering, design and construction drawings; bills of material; and all other documents required by the Participating TO (“Construction Documents”) to verify compliance with the Participating TO’s Specifications.

**B. Participating TO’s Telecommunications Work:**

- Terminal Equipment at Ivanpah Substation:  
Install terminal equipment at Ivanpah Substation to support the 115 kV generation tie-line protection and SPS-1 and SPS-2 relays.
  - Terminal Equipment at DPT 1 Project:
    - Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO’s Specifications for the terminal equipment at the DPT 1 Project.
    - Inspect and test the terminal equipment at the DPT 1 Project to verify compliance with the Participating TO’s Specifications.
  - Second Telecommunications Path from Ivanpah Substation to the DPT 1 Project:
    - Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO’s Specifications for the fiber optic cable.
    - Splice and terminate the fiber optic cable.
    - Inspect and test the fiber optic cable to verify compliance with the Participating TO’s Specifications.
- Notwithstanding the fact that the terminal equipment at the DPT 1 Project Generating Facility and the second telecommunications path (i.e. the fiber optic cable) will be located on the Interconnection Customer’s side of the Point of Change of Ownership, such equipment and fiber optic cable will be owned by the Participating TO.

**(ii) Transmission Lines:**

**DPT 1 Project – Ivanpah 115 kV**

**Generation Tie-Line**

The Participating TO shall install the rack span of the DPT 1 Project 115 kV generation tie-line from the last structure owned by the Interconnection Customer, outside of and closest to the perimeter fence at Ivanpah Substation, to the station dead – end structure. (It is assumed that such last Interconnection Customer structure will be close enough to the Ivanpah Substation perimeter fence that only one span of conductors will be required to reach the station 115 kV switchyard dead-end structure.)

**(iii) Substations:**

**Ivanpah Substation – Line Termination**

~~The Participating TO shall terminate the DPT 1 Project 115 kV generation tie-line into a position at Ivanpah Substation.~~

~~(iv) **Power System Control:**~~

~~**RTU – Generating Facility**~~

~~The Participating TO shall install one RTU at the DPT 1 Project to monitor the typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit and the plant auxiliary load and transmit the information to the Lugo Substation remote port server. Notwithstanding the fact that the RTU equipment at the DPT 1 Project Generating Facility will be located on the Interconnection Customer's side of the Point of Change of Ownership, the RTU will be owned, operated, and maintained by the Participating TO.~~

~~2. **Network Upgrades:**~~

~~(a) **Stand Alone Network Upgrades:**~~

~~None.~~

~~(b) **Other Network Upgrades:**~~

~~(i) **Participating TO's Reliability Network Upgrades:** The Participating TO shall:~~

~~A. **Transmission Lines:**~~

~~(1) **Eldorado – Lugo 500 kV**~~

~~**Transmission Line**~~

~~Replace one of the two overhead ground wires (OHGW) with new optical ground wire (OPGW) on the first 30 circuit miles of line from Eldorado Substation to a structure near the town of Nipton. This transmission upgrade is required to provide a segment for one of the telecommunication channels from Eldorado Substation to the new Nipton microwave site. Participating TO may install a functional alternative to this telecommunication path if an economic and feasible alternative is determined to be available.~~

~~(2) **Eldorado – Ivanpah 115 kV**~~

~~**Transmission Line – Line Loop**~~

~~Loop the existing line into Ivanpah Substation and form the two new Ivanpah – Baker – Cool Water – Dunn Siding – Mountain Pass and Eldorado – Ivanpah 115 kV Lines.~~

~~B. **Substations:**~~

**(1) Ivanpah Substation – 115 kV Initial**

**Configuration**

Install the initial configuration of a new 1120 MVA, 220/115 kV substation consisting of the section of 115 kV switchyard with three double-breaker line positions to loop the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line in and out of the station.

The initial configuration will also include the site preparation, perimeter fences, control cable trenches and paved driveways for the complete 885-foot by 850-foot area required for the ultimate configuration plus the installation of the mechanical electrical equipment room (MEER) and a microwave antenna tower.

**(2) Cool Water Generating Station 115 kV**

**Switchyard – Line Protection Upgrades**

Upgrade the line protection relays on the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah – Baker – Dunn Siding – Mountain Pass 115 kV Line.

**(3) Eldorado Substation – Line**

**Protection Upgrades**

Upgrade the line protection relays on the existing Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah 115 kV line.

**(4) Mountain Pass Substation – Line**

**Protection Upgrades**

Upgrade the line protection relays on the existing Eldorado – Baker – Cool Water – Dunn Siding 115 kV line, which will become the Ivanpah – Baker – Cool Water – Dunn Siding 115 kV Line.

**C. Telecommunications:**

**Special Protection Schemes**

Install terminal equipment at Ivanpah Substation to support the SPS – 1 and SPS – 2 relays.

Install new all dielectric self supporting (ADSS) fiber optic cable on new poles and a segment of underground fiber optic cable from the Eldorado – Lugo 500 kV structure located near the town of Nipton to the new Nipton microwave repeater site.

Install a new microwave path between the new Nipton microwave repeater site and Ivanpah Substation.

Install approximately seven miles of new ADSS fiber optic cable on existing 33 kV poles from Ivanpah Substation to Mountain Pass Substation.

Install approximately one mile of new ADSS fiber optic cable on the existing Nipton 33 kV circuit poles from Mountain Pass Substation to the Mountain Pass AT&T communications site.

Also install interface terminal equipment at all locations addressed above plus new signal amplifying equipment at Mountain Pass Substation.

**D. Power System Control:**

**RTU – Ivanpah Substation**

Install one RTU at Ivanpah Substation to monitor the 115 kV line elements.

**E. Corporate Real Estate:**

**(1) Ivanpah Substation and Fiber Optic Cables**

Perform all activities related to survey, mapping and land acquisition as required to install the new Ivanpah Substation and all new fiber optic cables.

**F. Licensing and Permitting:**

**Eldorado – Ivanpah 220 kV Transmission Lines**

Perform all activities related to the licensing and permitting process for the new Eldorado – Ivanpah No. 1 and No. 2 220 kV transmission lines.

**(ii) Participating TO's Delivery Network Upgrades:**

**A. Transmission Lines:**

**(1) Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115kV Line – Line Removal**

Remove approximately thirty six miles of existing line between Eldorado Substation and the new Ivanpah Substation to provide space for the construction of the new Eldorado – Ivanpah No.1 and No. 2 220kV transmission lines.

**(2) Eldorado – Ivanpah No. 1 220 kV Transmission Line (Initially Energized at 115 kV)**

Install approximately thirty-six miles of new double-circuit 220 kV transmission line, initially energized at 115 kV, equipped with 2-1590 kcmil ACSR conductors on one side of the structure. The line will be equipped with OPGW to provide the second telecommunication path required for the SPS and other telecommunication requirements applicable to the Ivanpah Substation.

~~(3)~~

### ~~Eldorado – Ivanpah 115 kV~~

#### ~~Transmission Line – 115 kV Connections to First and Last 220 kV Structures~~

~~Install a new section of 115 kV line from the Ivanpah 115 kV switchyard to the first 220 kV structure closest to the Ivanpah switchyard placed on the existing 115 kV right-of-way using 336.4 kcmil ACSR conductors to connect the new 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.~~

~~Cut the existing line at the Eldorado Substation end and connect the existing 336.4 kcmil ACSR conductors to the last 220 kV structure closest to Eldorado Substation to connect the existing 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.~~

#### ~~B. Substations:~~

##### ~~Eldorado Substation – Transformer Upgrade~~

~~Replace the existing 108 MVA, 220/115 kV transformer bank with a new 280 MVA transformer.~~

#### ~~C. Corporate Real Estate:~~

##### ~~Eldorado – Ivanpah 220 kV Transmission Line Right-of-Way~~

~~Perform all activities related to survey, mapping and land acquisition as required to install the new Eldorado – Ivanpah No. 1 and No. 2 220 kV transmission lines.~~

#### ~~D. Licensing and Permitting:~~

##### ~~Eldorado – Ivanpah 220 kV Transmission Lines~~

~~Perform all activities related to the licensing and permitting process for the new Eldorado – Ivanpah No. 1 and No. 2 220 kV transmission lines.~~

#### ~~3. Distribution Upgrades: The~~

~~Participating TO shall:~~

~~Route a section of the existing Nipton 33 kV distribution circuit out of Mountain Pass Substation into Ivanpah Substation to provide a source of substation light and power.~~

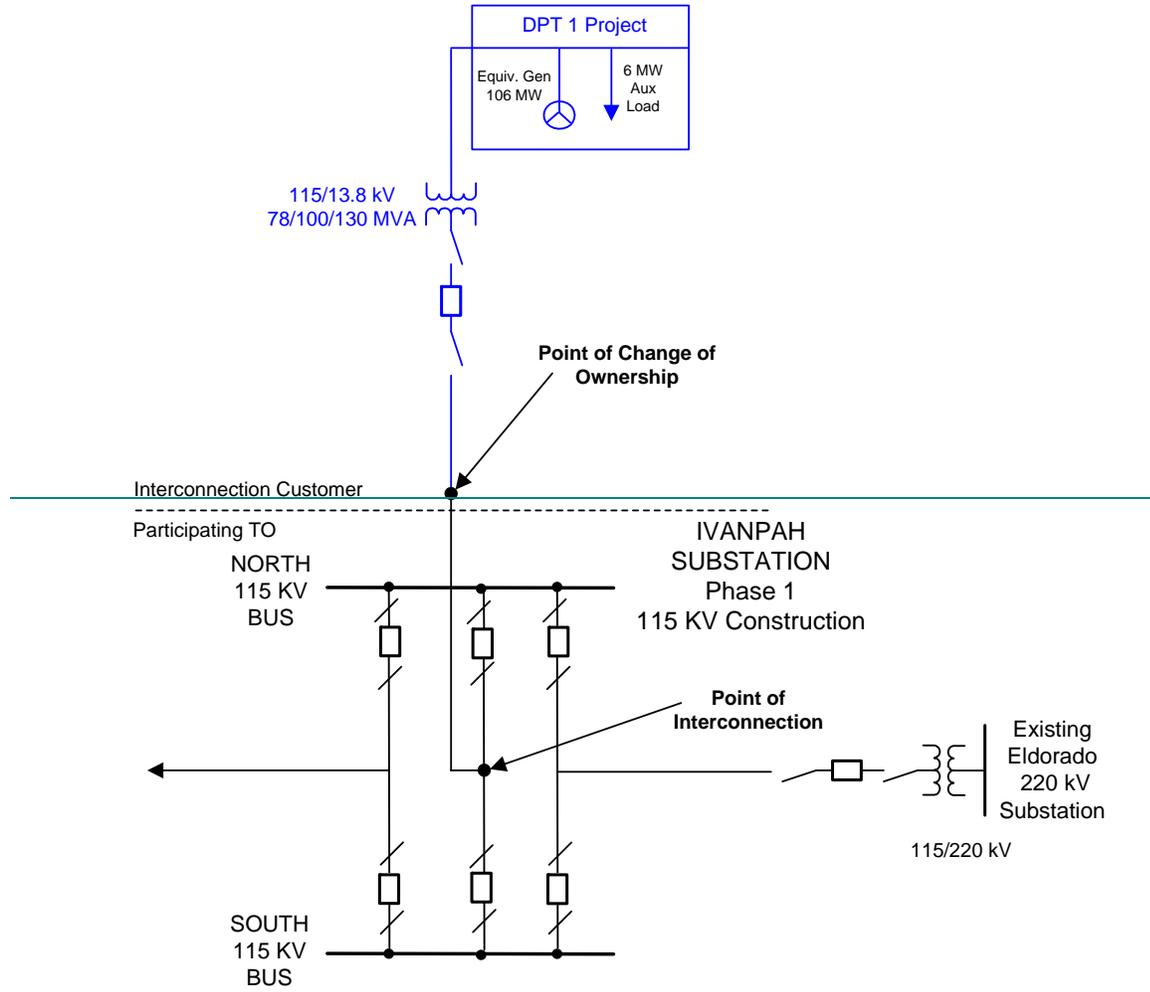
#### ~~4. Point of Change of Ownership:~~

~~The Point of Change of Ownership is the north facing insulator, which is owned by the Participating TO, attached to the dead-end structure of the DPT 1 Project 115 kV generation tie-line located outside of and nearest to the Ivanpah Substation perimeter fence. The Interconnection Customer owns the dead-end structure, the south facing insulators and conductors from the dead-end structure to the Interconnection Customer's facilities, and the jumpers between the Participating TO's conductor and the Interconnection Customer's conductor.~~

5. ~~Point of Interconnection: DPT1~~  
~~Project's Point of Interconnection with the CAISO Controlled Grid is at the~~  
~~Participating TO's Ivanpah Substation 115 kV bus.~~

6. **One-Line Diagram of Interconnection to Ivanpah Substation:**

**One-Line Diagram of Interconnection to Ivanpah Substation:**



~~7. Additional Definitions: For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~(a) Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the EITP if such project is abandoned due to circumstances outside of the Participating TO's control.~~

~~(b) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~(c) Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(d) CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~(e) Credit Support: Guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(f) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(g) Deed-To Telecommunications Facilities: The Participating TO's Interconnection Facilities, as specified in Section 1(b)(i)A of this Appendix A constructed by the Interconnection Customer and owned by the Participating TO following transfer of ownership.~~

~~(h) Deed-To Telecommunications Facilities Cost: All costs associated with the design, engineering, procurement, construction and installation of the Deed-To Telecommunications Facilities. The Deed-To Telecommunications Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(i) Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 14 of this Appendix A.~~

~~(j) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(k) Eldorado – Ivanpah Transmission Project (EITP): The Participating TO's generation interconnection master plan to connect up to 1,400 MW of renewable generation located near the southern California-Nevada border to the CAISO Controlled Grid. The main project components consist of the following: construction of a new 220/115 kV Ivanpah Substation; replacement of a portion of an existing 115 kV line with an approximately thirty-six mile, double-circuit 220 kV transmission line from the new Ivanpah Substation to the Participating TO's Eldorado Substation near Boulder City, Nevada; upgrade of Eldorado Substation to support the connection of the new transmission lines; and construction of two separate telecommunication pathways and communication equipment to connect the EITP to the Participating TO's existing telecommunications system.~~

~~(l) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(m) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

(n) ~~\_\_\_\_\_~~ Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.

(o) ~~\_\_\_\_\_~~ Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost, excluding the Deed-To Telecommunication Facilities Cost, and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.

(p) ~~\_\_\_\_\_~~ ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A and is shown in Section 14 of this Appendix A.

(q) ~~\_\_\_\_\_~~ Letter Agreements: The letter agreements dated September 14, 2007, FERC Electric Tariff, Second Revised Volume No. 6, Service Agreement No. 53, and dated January 10, 2008, FERC Electric Tariff, Second Revised Volume No. 6, Service Agreement No. 54, and any future letter agreement to be entered between the Participating TO and the Interconnection Customer respecting this subject.

(r) ~~\_\_\_\_\_~~ One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Delivery Network Upgrades Reliability Network Upgrades or Capital Additions which are not capitalized.

(s) ~~\_\_\_\_\_~~ Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 14 of this Appendix A.

(t) ~~\_\_\_\_\_~~ Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.

(u) ~~\_\_\_\_\_~~ Removal Cost: The cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.

~~(v) \_\_\_\_\_ **Special Protection System (“SPS”):** A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(w) \_\_\_\_\_ **Units of Property:** As described in FERC's “List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees” in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~(x) \_\_\_\_\_ **Virtual Network Upgrades:** The Eldorado – Ivanpah 115 kV hypothetical line, comprised of approximately thirty six miles of new “virtual line” using single line construction and 653KCMIL ACSR Conductors between Eldorado Substation and the new Ivanpah Substation at the location vacated by the removal of the existing 115kV line. Such line would be equipped with one ½ In steel OHGW and one OPGW. These upgrades include the rest of the Network Upgrades listed in Section 2 above except that of the double circuit 220 kV T/L and associated 220 kV facilities. These facilities are those required to interconnect the DPT 1 Project to determine cost responsibility and not the facilities that will actually be constructed.~~

~~**8. \_\_\_\_\_ **Transmission Credits:**** No transmission credits are applicable since this LGIA assumes that the Participating TO will up-front finance the EITP.~~

~~**9. \_\_\_\_\_ **Security Amount for the Participating TO's Interconnection Facilities and Network Upgrades:**** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$1,119,000 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities, excluding the Deed-To Telecommunications Facilities.~~

~~If the Participating TO does not receive Abandoned Plant Approval, the Interconnection Customer shall provide additional Credit Support for the costs for constructing, procuring and installing the Network Upgrades, in an amount to be reflected in an amendment to this LGIA. The disposition of any released Credit Support shall be directed by the Interconnection Customer.~~

~~**10. \_\_\_\_\_ **Security Amount for Estimated Tax Liability:**** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:~~

~~(Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1 – Current Tax Rate) = 35%~~

~~Estimated tax liability = 35% \* Interconnection Facilities Cost = 35% \* \$1,119,000 = \$391,650~~

Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$391,650, pursuant to Article 5.17.3 and Appendix B of the LGIA.

The amount specified herein shall be revised to include the security amount for the Deed-To Telecommunications Facilities pursuant to an amendment to the LGIA subject to FERC's acceptance or approval.

**11. \_\_\_\_\_ Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

**12. \_\_\_\_\_ Charges:**

(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Interconnection Facilities Payment; (iii) Reliability Network Upgrades Payment; (iv) Interconnection Facilities Charge; (v) payments for any Capital Additions; (vi) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (vii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (viii) termination charges pursuant to Article 2.4 of the LGIA, provided that such charges shall not be applicable to the extent the costs associated with termination of the LGIA are subject to Abandoned Plant Approval received by the Participating TO; and (ix) disconnection costs pursuant to Article 2.5 of the LGIA.

(b) \_\_\_\_\_ The Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost, and Removal Cost shall be compiled in accordance with Accounting Practice.

(c) \_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be adjusted as appropriate to reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.

~~(d) The Network Upgrades specified in Section 2 and Distribution Upgrades specified in Section 3 of this Appendix A comprise part of the EITP. The Participating TO will up-front finance the network components of EITP, including those Network Upgrades specified in Section 2 of this Appendix A and Distribution Upgrades specified in Section 3, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~

- ~~(i) Abandoned Plant Approval.~~
- ~~(ii) Continued achievement of development milestones by the Interconnection Customer, as described herein and in Table 1 below:~~

~~A. At the time the Participating TO receives Abandoned Plant Approval, the Interconnection Customer must have secured Site Control, as defined in the CAISO Tariff Appendix A Master Definitions Supplement, for the DPT 1 Project.~~

~~B. Prior to the Participating TO commencing final engineering and design of the Network Upgrades and the applicable Participating TO's Interconnection Facilities, the Interconnection Customer must have secured all required permits for the DPT 1 Project.~~

~~C. Prior to the Participating TO mobilizing its engineering procurement constructor ("EPC") contractor and commencing construction of the Network Upgrades and the Participating TO's Interconnection Facilities, Interconnection Customer must have secured development financing for the DPT 1 Project.~~

~~D. Prior to Participating TO constructing facilities to provide 115 kV backfeed power, Interconnection Customer must have constructed its generation tie line to the Ivanpah Substation.~~

### **Participating TO Transmission Development and Interconnection Customer Generation Development Milestones and Decision Points**

The Parties acknowledge that the Interconnection Customer's original requested In-Service Date of 2010 is not feasible due to the transmission upgrades necessary to accommodate the full amount of electrical output listed in the Interconnection Request. The Interconnection Customer has requested that the Participating TO complete the necessary upgrades to support the Interconnection Customer's revised in-service date of the DPT 1 Project to mid 2012. The Participating TO has filed an application for a Certificate of Public Convenience and Necessity ("CPCN") with the CPUC for the EITP. The Participating TO's EITP schedule published in its CPCN application currently shows an in-service date of mid 2013. The Parties, however, acknowledge that if certain key regulatory approvals are obtained earlier than the dates in the 2013 schedule, and the Participating TO elects to perform some of its engineering and permitting tasks in parallel, it is feasible for EITP to achieve a mid 2012 in-service date. The Participating TO has agreed to use Reasonable Efforts to achieve the Interconnection Customer's requested in-service date. The Participating TO has also agreed to up-front finance the Network Upgrades under the terms specified in this Section 12(d) and

~~move forward on the faster schedule subject to the Interconnection Customer also moving forward on its schedule and achieving certain milestones as identified in Table 1 below. The Parties have agreed that it is prudent to remain in synch with respect to the schedule of EITP and the DPT 1 Project so that neither the Participating TO nor the Interconnection Customer is way ahead or lags the other. The Parties agree to use Reasonable Efforts to achieve a 6/30/2012 in service date for EITP to support the Interconnection Customer's planned initial synchronization on that same date. Each Party will make Reasonable Efforts to support the other Party's key regulatory processes and filings to support the desired 6/30/2012 EITP in service date and DPT 1 Project's Initial Synchronization Date.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

**Group 1 Milestones and Decision Point #1**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
		Interconnection Customer secures final Site Control	
Participating TO executes LGIA with Interconnection Customer and CAISO for DPT-1 Project		Interconnection Customer executes LGIA with Participating TO and CAISO for DPT-1 Project	
Participating TO receives Abandoned Plant Approval <sup>(1)</sup>			

DECISION POINT #1: Following completion of all Group 1 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones. Parties exercise options as outlined in Table 2

**Group 2 Milestones and Decision Point #2**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO receives draft environmental impact report/environmental impact statement from the CPUC for EITP <sup>(1)</sup>		Interconnection Customer secures CEC affirmative decision and Bureau of Land Management (BLM) Record of Decision (ROD) granting right-of-way (ROW) for DPT-1 Project Generating Facility and common area <sup>(2)</sup> at a minimum <sup>(3)</sup>	

DECISION POINT #2: Following completion of all Group 2 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones. Parties exercise options as outlined in Table 2

**Group 3 Milestones and Decision Point #3**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO commences final design and engineering of transmission line and substation		Interconnection Customer selects EPC contractor	
Participating TO receives all required licenses/permits, including CPCN from CPUC, certificate from Nevada Public Utilities Commission, and ROD/ROW decision from BLM <sup>(4)</sup>		Interconnection Customer secures financing to construct DPT 1 Project	
Participating TO begins to procure long-lead time items <sup>(4)</sup>			

DECISION POINT #3: Following completion of all Group 3 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones. Parties exercise options as outlined in Table 2

**Group 4 Milestones and Decision Point #4**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO selects and mobilizes EPC contractor <sup>(5)</sup>		Interconnection Customer mobilizes EPC contractor <sup>(6)</sup>	
Participating TO completes 33kV construction power service connection to serve construction power		Interconnection Customer commences construction of DPT 1 Project, including site prep/grading for Ivanpah Substation site	

DECISION POINT #4: Following completion of all Group 4 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

**Group 5 Milestones and Decision Point #5**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO commences construction of EITP transmission line facilities and telecommunication facilities		Interconnection Customer commences construction of power tower(s), heliostat field, boiler and power block for DPT 1 Project	
Participating TO commences construction of Ivanpah Substation <sup>(7)</sup>			

DECISION POINT #5: Following completion of all Group 5 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within thirty (30) days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

**Group 6 Milestones and Decision Point #6**

<b>Participating TO Milestone</b>	<b>Comments</b>	<b>Interconnection Customer Milestone</b>	<b>Comments</b>
Participating TO energizes EITP upgrades, enabling Commercial Operation of DPT 1 Project		Initial parallel connection of DPT 1 Project synchronized to Participating TO grid for testing	
		Commercial Operation of DPT 1 Project	

DECISION POINT #6: Following completion of all Group 6 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 6 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

Footnotes:

- (1) \_\_\_\_\_ Outside the control of the Participating TO
- (2) \_\_\_\_\_ The common areas include the following items: the administrative/maintenance building complex; the main fire, water and raw water pumps; and miscellaneous yard lighting in such common area
- (3) \_\_\_\_\_ Outside the control of the Interconnection Customer
- (4) \_\_\_\_\_ May occur prior to Decision Point #1 for certain items
- (5) \_\_\_\_\_ Linked to item outside the control of the Participating TO
- (6) \_\_\_\_\_ Linked to item outside the control of the Interconnection Customer
- (7) \_\_\_\_\_ Subject to prior completion of grading for Ivanpah Substation by the Interconnection Customer

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A—Participating TO General Option: At each Decision Point, the Participating TO has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades.~~

~~If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:~~

- ~~1) Confirm its commitment to finance Network Upgrades (but have no obligation to do so)~~
- ~~2) Discontinue its commitment to finance Network Upgrades, in which case Network Upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.~~
- ~~3) Terminate the LGIA, subject to termination provisions in the LGIA~~
- ~~4) Other actions mutually agreeable to both parties~~

*Table 2B—Interconnection Customer General Option: At each Decision Point, the Interconnection Customer has the following options:*

~~At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.~~

~~If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:~~

- ~~1) Continue to develop its Generation Facility (but have no obligation to do so)~~
- ~~2) Adjust its development milestones, day-for-day, as appropriate, to the Participating TO's new timetable(s)~~
- ~~3) Terminate the LGIA, subject to termination provisions in the LGIA~~
- ~~4) Other actions mutually agreeable to both parties~~

~~Upon reaching each Decision Point described in Table 1 above, the parties have the ability to exercise the options described in Table 2. At such time, a window of fifteen (15) Calendar Days shall open and each Party shall have fifteen (15) Calendar Days to notify the other Party of what, if any, option it has elected to take. The parties may extend this window by mutual agreement and may exercise option 4 as well. If a Party does not exercise any option during the fifteen (15) Calendar Day window then it shall be deemed to have elected option 1.~~

~~The termination provisions provided in option 3 of Table 2A and Table 2B above are an addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~In case of a conflict in terms contained in this Section 12(d) and the terms in the CAISO Tariff or in the LGIA Articles, the terms of the CAISO Tariff and the LGIA Articles, shall apply.~~

~~(e) \_\_\_\_\_ The Participating TO will refund the amounts received from the Interconnection Customer under the Letter Agreements within thirty (30) Calendar Days of the Participating TO's receipt of Abandoned Plant Approval. Such refund shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of receipt of payment to the date on which the Interconnection Customer receives such refund.~~

~~(f) \_\_\_\_\_ In the event that the Participating TO does not receive Abandoned Plant Approval, this LGIA shall be amended such that the Interconnection Customer shall be responsible for the costs of the Virtual Network Upgrades, subject to FERC's acceptance or approval. The CAISO and the Participating TO have produced projected Virtual Network Upgrades cost in the 8/28/2009 Facilities Study report, which have not been fully discussed and agreed upon by the Parties. If an amendment to this LGIA is necessary to address the Virtual Network Upgrades cost, such amendment incorporating the final Network Virtual Upgrades cost as agreed to by the Parties shall be subject to FERC's acceptance and approval.~~

~~(g) The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 13(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(h) If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 12(d) above (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. The Participating TO shall have the option either to stop work on the EITP until the Breach has been cured or to amend this LGIA to require the Interconnection Customer to begin up-front funding the cost of the Virtual Network Upgrades if such Breach has not been cured by the Interconnection Customer.~~

~~(i) \_\_\_\_\_ Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~

### ~~13. \_\_\_\_\_ Supplemental Billing and Payment Provisions:~~

~~(a) \_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(b) \_\_\_\_\_ Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the~~

~~Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.~~

~~(c) \_\_\_\_\_ In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) \_\_\_\_\_ For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) \_\_\_\_\_ Except as provided in Section 7(c) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) \_\_\_\_\_ Except as provided in Section 7(c) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(d) \_\_\_\_\_ As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the~~

~~payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(e) \_\_\_\_\_ If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(f) \_\_\_\_\_ The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

#### 14. Interconnection Facilities, Reliability Network Upgrades and Delivery Network Upgrades Cost Summary:

(a) Estimated Cost:

Element	Interconnection Facilities Cost	Interconnection Customer's Maximum Network Upgrade Cost Responsibility**	Participating TO's Delivery Network Upgrades Cost	Participating TO's Reliability Network Upgrades Cost	Participating TO's Total Network Upgrade Costs Only
<b>Estimated costs of the Participating TO's Network Upgrades</b>					
EITP 220kV T/L – Double Circuit with One Initial Circuit Only Energized at 115kV			\$198,528,000		\$198,528,000
EITP 115kV T/L – 115kV Connections to First & Last 220kV Structures			\$844,000		\$844,000
EITP 115kV T/L – Removal of Existing Line		\$3,150,000	\$2,883,000		\$2,883,000
Eldorado Substation – Replacement of 220/115kV Transformer Bank		\$5,650,000	\$5,650,000		\$5,650,000
Corporate Real Estate Activities Related to EITP 220kV T/L Right of Way		\$10,200,000	\$7,771,000		\$7,771,000
Licensing and Permitting Activities Related to EITP 220kV T/L Right of Way		\$6,900,000	\$10,252,000		\$10,252,000
Eldorado – Lugo 500kV T/L – Replace one OHGW with OPGW		\$25,400,000		\$25,269,000	\$25,269,000
Ivanpah Substation – 115 kV Switchyard		\$19,125,000		\$19,125,000	\$19,125,000
Cool Water G.S. 115kV Switchyard – Line Protection Upgrades		\$588,000		\$588,000	\$588,000
Eldorado Substation – Line Protection Upgrades		\$588,000		\$588,000	\$588,000
Mountain Pass Substation – Line Protection Upgrades		\$588,000		\$588,000	\$588,000
Facilities for SPS-1 and SPS-2		\$9,260,000		\$7,692,000	\$7,692,000
RTU at Ivanpah Substation		\$73,000		\$73,000	\$73,000
Eldorado – Ivanpah 115kV T/L – “Virtual Line”		\$18,600,000			
Corporate Real Estate Activities Related to		\$2,000,000		\$487,000	\$487,000

Ivanpah Substation and New Fiber Optic Lines					
Eldorado-B-CW-DS-Mountain Pass 115kV T/L — Loop into Ivanpah Substation		\$804,000		\$804,000	\$804,000
<b>Total</b>		\$102,926,000	\$225,928,000	\$55,214,000	\$281,142,000
<b>Participating TO's Interconnection Facilities — SCE Work:</b>					
DPT 1 — Ivanpah 115 kV Generation Tie Line	\$207,000		-		
Ivanpah Substation — 115 kV Switchyard	315,000		-		
Telecommunications — SCE Work	481,000		-		
Power System Control — RTU at Generating Facility	116,000		-		
<b>Subtotal</b>	<b>\$1,119,000</b>		-		
<b>Participating TO's Interconnection Facilities — Interconnection Customer's Work:</b>					
Deed To Telecommunications Facilities	[TBD]*				
<b>Subtotal</b>	<b>[TBD]*</b>		-		
<b>Total</b>	<b>[TBD]*</b>		-		

\* Cost to be provided pursuant to an amendment to the LGIA, subject to FERC's acceptance or approval.

\*\*Interconnection Customer's cost responsibility for Network Upgrades (reliability and delivery) is based on virtual cost allocation methodology of Participating TO's total cost of delivery and reliability network upgrades shown in the August 28, 2009 Facility Study Report.

Network Upgrades Cost listed in the table above are being funded by the Participating TO since the Participating TO is exercising its option, pursuant to Article 11.3 of the LGIA, to fund the costs of these Network Upgrade facilities provided that the requirements specified in Section 12(d) have been met.

(b) \_\_\_\_\_ Actual Cost:

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

Element	Interconnection Facilities Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	-One-Time Cost	Total



~~\* The Interconnection Facilities Cost and Interconnection Facilities Charge do not include the Deed-To Telecommunications Facilities which will be added, by amendment to this Agreement, when they have been determined.~~

~~**16. \_\_\_\_\_ Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades:**~~

~~An estimate of the monthly incurred costs to be paid by the Interconnection Customer is as shown.~~

~~Note: This estimate assumes that the LGIA has been executed by February 1, 2010.~~

<del>Payment Period</del>	<del>Interconnection Facilities Cost*, excluding the Deed-To Telecommunications Cost</del>	<del>Reliability Network Upgrades Cost</del>	<del>Delivery Network Upgrades Cost</del>	<del>One-Time Cost</del>	<del>Total*</del>	<del>Due Date</del>
<del>1</del>	<del>\$10,000</del>				<del>\$10,000</del>	<del>3/1/2010</del>
<del>2</del>	<del>\$10,000</del>				<del>\$10,000</del>	<del>4/1/2010</del>
<del>3</del>	<del>\$10,000</del>				<del>\$10,000</del>	<del>5/1/2010</del>
<del>4</del>	<del>\$20,000</del>				<del>\$20,000</del>	<del>6/1/2010</del>
<del>5</del>	<del>\$20,000</del>				<del>\$20,000</del>	<del>7/1/2010</del>
<del>6</del>	<del>\$20,000</del>				<del>\$20,000</del>	<del>8/1/2010</del>
<del>7</del>	<del>\$30,000</del>				<del>\$30,000</del>	<del>9/1/2010</del>
<del>8</del>	<del>\$30,000</del>				<del>\$30,000</del>	<del>10/1/2010</del>
<del>9</del>	<del>\$30,000</del>				<del>\$30,000</del>	<del>11/1/2010</del>
<del>10</del>	<del>\$40,000</del>				<del>\$40,000</del>	<del>12/1/2010</del>
<del>11</del>	<del>\$60,000</del>				<del>\$60,000</del>	<del>1/1/2011</del>
<del>12</del>	<del>\$70,000</del>				<del>\$70,000</del>	<del>2/1/2011</del>
<del>13</del>	<del>\$70,000</del>				<del>\$70,000</del>	<del>3/1/2011</del>
<del>14</del>	<del>-\$70,000</del>				<del>\$70,000</del>	<del>4/1/2011</del>
<del>15</del>	<del>-\$70,000</del>				<del>\$70,000</del>	<del>5/1/2011</del>
<del>16</del>	<del>-\$70,000</del>				<del>\$70,000</del>	<del>6/1/2011</del>
<del>17</del>	<del>-\$70,000</del>				<del>\$70,000</del>	<del>7/1/2011</del>
<del>18</del>	<del>-\$70,000</del>				<del>\$70,000</del>	<del>8/1/2011</del>
<del>19</del>	<del>-\$60,000</del>				<del>\$60,000</del>	<del>9/1/2011</del>
<del>20</del>	<del>-\$60,000</del>				<del>\$60,000</del>	<del>10/1/2011</del>
<del>21</del>	<del>-\$60,000</del>				<del>\$60,000</del>	<del>11/1/2011</del>
<del>22</del>	<del>-\$60,000</del>				<del>\$60,000</del>	<del>12/1/2011</del>
<del>23</del>	<del>\$60,000</del>				<del>\$60,000</del>	<del>1/1/2012</del>

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24	\$49,000				\$49,000	2/1/2012
<b>Total</b>	<b>\$1,119,000</b>		-		<b>\$1,119,000</b>	

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$0~~

~~Interconnection Facilities Payment \_\_\_\_\_ = (Interconnection Facilities Cost, excluding the Deed-To  
Telecommunications Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$1,119,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$0~~

\_\_\_\_\_

**17. Other Potential Facilities:** The CAISO and the Participating TO have determined that there are no Distribution Upgrades or Network Upgrades currently assigned to an earlier queued project(s) that would become the responsibility of the Interconnection Customer in the event such project(s) is withdrawn from the queue or its interconnection agreement is terminated.

**18. Temporary Interconnection**

(a) At the Interconnection Customer's request, the Facilities Study Report, dated August 28, 2009 performed for the DPT 1 Project considered an earlier temporary interconnection option prior to the completion of EITP ("Temporary Interconnection") in which the DPT 1 Project could interconnect and generate for deliveries at a reduced output of approximately 83 MW. In order to accommodate this Temporary Interconnection, the Participating TO has determined that a portion of the Network Upgrades described in this LGIA Appendix A would be required and that those Network Upgrades would be used for both the Temporary Interconnection and the planned long term permanent interconnection. Additionally, some additional temporary facilities that are necessary for the Temporary Interconnection were also identified in the Facilities Study Report as needed for the long term permanent interconnection. The costs for the Network Upgrades and temporary facilities to accommodate the Temporary Interconnection were identified in the Facilities Study Report dated August 28, 2009.

(b) The Participating TO has determined that the Temporary Interconnection could accommodate the DPT 1 Project on a reduced output basis of approximately 83 MW provided that no other generation project utilizes such Temporary Interconnection at the same time. The Parties are still discussing final arrangements for the Temporary Interconnection. Pursuant to the results of the Facilities Study Report, the estimated time to complete the facilities required for Temporary Interconnection is approximately 24 months, subject to resource availability, after the appropriate authorizations and funding have been received. Additionally, the portion of the Network Upgrades necessary to accommodate the Temporary Interconnection may be funded by the Participating TO pursuant to the terms of this LGIA.

(c) If Interconnection Customer elects the option for the Temporary Interconnection, the Parties have agreed to amend this LGIA to provide the Temporary Interconnection. Such amendment would be subject to FERC acceptance or approval. If, at that time, the Participating TO has received the regulatory approvals contemplated in this LGIA for it to fund the Network Upgrades, then the amendment for the Temporary Interconnection shall address only those facilities identified as Temporary Facilities in the Facilities Study Report dated August 28, 2009. If the Participating TO has not received the regulatory approvals contemplated in this LGIA for it to fund the Network Upgrades, then the amendment for the Temporary Interconnection shall address both Temporary Facilities and that portion of the Network Upgrades necessary to support the Temporary Interconnection. In the

latter case, the Participating TO may require the Interconnection Customer to fund such Network Upgrades until such time as it has received the regulatory approvals contemplated in this LGIA for the Participating TO to fund the Network Upgrades. If the Interconnection Customer has funded such Network Upgrades and the Participating TO subsequently has received such regulatory approval, the Participating TO shall refund Interconnection Customer's advanced funding including interest (FERC rate). The Interconnection Customer reserves the right to challenge the costs identified in the report, and by agreeing to certain costs in this LGIA does not waive such right.

## **19. \_\_\_\_\_ Conditions for Modification of Specification of Network Upgrades**

(a) \_\_\_\_\_ The Network Upgrades specified in Section 2 of this Appendix A anticipate additional upgrades for subsequent interconnection customers including two additional interconnection requests by the Interconnection Customer, and are designed to facilitate the possibility of interconnecting additional generation. As such, these Network Upgrades include additional facilities that would not be required solely for the interconnection of the Interconnection Customer's Generating Facility. Accordingly, unless at least one of the conditions specified in Section 19(b) has been satisfied by May 31, 2010, the CAISO may, in its sole discretion, determine that a review of the Network Upgrades specified in Section 2 of this Appendix A is required in order to assess whether and to what extent these Network Upgrades should be modified. If this review indicates that such modification is required, the CAISO shall consult with the Participating TO and Interconnection Customer and shall determine the extent to which the Network Upgrades must be modified to allow the upgrades to be approved by the CAISO for construction, either through any FERC approved process to promote the development of transmission facilities to facilitate the integration of renewable resources, or through an amendment to this LGIA.

(b) \_\_\_\_\_ Notwithstanding the provisions in Section 19(a), no modification to the Network Upgrades specified in Section 2 shall be required if: (1) the Participating TO has received a certificate of public convenience and necessity from the CPUC authorizing the construction of the Network Upgrades identified in Section 2, and has satisfied any conditions in that CPUC authorization requiring further CAISO approval of that construction, as those upgrades are part of the overall Eldorado-Ivanpah Transmission Project; or (2) the Interconnection Customer (or another interconnection customer) has entered into one or more other LGIAs for additional generating facilities sufficient to trigger the need for the construction of the Network Upgrades identified in Section 2, or has requested the CAISO to file such other LGIA(s) unexecuted with FERC in order to resolve any disagreement between the parties thereto.

(c) \_\_\_\_\_ With respect to Section 19(b), the Parties have agreed that the other LGIAs for the Interconnection Customer's affiliates' other two plants planned for interconnection at Ivanpah substation (CAISO Interconnection Requests Queue #s 162 and 233) along with this LGIA shall be sufficient to meet the

~~condition in Section 19(b)(2). The Parties have also agreed to model these other LGIAs on the approaches taken in this LGIA so that all 3 LGIAs are consistent with this LGIA except for differences that are necessary such as megawatt levels and upgrade cost differences that are unique to the interconnection requests. This principle shall also apply to an unexecuted other LGIA filed with FERC.~~

## Appendix B To LGIA

### Milestones

1. ~~\_\_\_\_\_ The Interconnection Customer's Selected Option:~~ Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

2. ~~\_\_\_\_\_ Milestone Dates:~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities** to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of security for the Participating TO's Interconnection Facilities** and to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA.  Submittal of security for Participating TO's Network Upgrades to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA if Interconnection Customer is required to fund such Network Upgrades	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date  Within thirty (30) Calendar Days of the date that it is determined that Interconnection Customer must fund such Network Upgrades
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the	Interconnection Customer	Within thirty (30) Calendar Days of the

	Participating TO pursuant to Article 5.17.3 of the LGIA		Effective Date
(f)	Submittal of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix C	Interconnection Customer	At least thirty (30) Calendar Days prior to start of construction of the Deed-To Telecommunications Facilities
(g)	Review of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix C	Participating TO	Within thirty (30) Calendar Days of receipt of Construction Documents
(h)	Completion of the Participating TO's Interconnection Facilities**, Distribution Upgrades and Network Upgrades	Participating TO	Within thirty (30) months following the Effective Date or within 14 months of approval of CPCN, whichever is earlier*
(i)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the DPT-1 Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(j)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(k)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation
(l)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's

			submission of initial specifications
(m)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the DPT 1 Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date
(n)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(o)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(p)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the in-service date
(q)	In-service date of DPT 1 Project	Interconnection Customer	6/30/11* IC required to provide written request
(r)	Initial Synchronization Date	Interconnection Customer	6/30/12* IC required to provide written request
(s)	Trial Operation period	Interconnection Customer	6/30/12 – 8/14/12*
(t)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(u)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and the DPT 1 Project in accordance with Article 6.1 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date

<del>(v)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the DPT 1 Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date</del>
<del>(w)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>8/14/12* (Requires formal written request for changes to COD)</del>
<del>(x)</del>	<del>Submittal of "as-built" drawings, information and documents for (i) the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO, and (ii) the Deed-To Telecommunications Facilities for approval by the Participating TO in accordance with Section 3(l) of Appendix G</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>

~~\* Note: The Interconnection Customer and Participating TO understand and acknowledge that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, availability of utility services or other unforeseen events could delay the actual In-Service Date beyond that specified. The Parties shall work diligently and use good faith efforts to meet the milestone due dates listed above and shall keep each other apprised of progress and status on a regular basis.~~

~~\*\* Excludes the Deed-To Telecommunications Facilities~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone due dates. If the Participating TO materially misses milestone due dates and if Interconnection Customer exercises its option in Table 2B in Appendix A to adjust its dates, then milestones in this Appendix B may be adjusted, if appropriate, so that Interconnection Customer's construction progress remains coordinated with Participating TO's construction progress.~~

The Interconnection Customer also understands and agrees that the method of service required to interconnect the DPT1 Project may require re-evaluation due to the suspension of the DPT 1 Project and changes to the Participating TO's electrical system or addition of new generating resources.

## Appendix C To LGIA

### Interconnection Details

1. ~~\_\_\_\_\_~~ **Generating Facility:** All equipment and facilities comprising the proposed solar generating facility with a rated output of 106 MW and an auxiliary load of 6 MW for a total net output of 100 MW, located in San Bernardino County, California approximately six miles west of the California/Nevada border, as disclosed by the Interconnection Customer in its interconnection application, which consists of four solar-powered steam boilers powering a 100 MW synchronous steam turbine-generator, meters and metering equipment and appurtenant equipment (the “Generating Facility” or the “DPT 1 Project”).

2. ~~\_\_\_\_\_~~ **Interconnection Customer**  
**Operational Requirements.**

(a) ~~\_\_\_\_\_~~ Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the DPT 1 Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WECC reliability standards and Applicable Reliability Standards.

(b) ~~\_\_\_\_\_~~ The DPT 1 Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: (i) inadvertent and unwanted re-energizing of a utility dead line or bus; (ii) interconnection while out of synchronization; (iii) overcurrent; (iv) voltage imbalance; (v) ground faults; (vi) generated alternating current frequency outside permitted safe limits; (vii) poor power factor or reactive power outside permitted limits; and abnormal waveforms.

3. ~~\_\_\_\_\_~~ **Interconnection Principles:**

(a) ~~\_\_\_\_\_~~ This LGIA provides for interconnection of a total capability of 100 MW, resulting from the interconnection of the DPT 1 Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capability provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.

(b) ~~\_\_\_\_\_~~ Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the DPT 1 Project or the Interconnection Customer’s Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to

~~the economic or technical feasibility, operational capability, or reliability of the DPT 1 Project or the Interconnection Customer's Interconnection Facilities.~~

~~(c) \_\_\_\_\_ The Interconnection Customer, at its sole expense, shall design, engineer, procure, construct, and install the Deed-To Telecommunications Facilities in accordance with the Participating TO's Specifications.~~

~~(d) \_\_\_\_\_ Prior to commencing construction of the Deed-To Telecommunications Facilities, the Participating TO shall review the Interconnection Customer's Construction Documents and, if acceptable, approve the design, engineering, and layout of the Deed-To Telecommunications Facilities. Such approval shall not be unreasonably withheld. The review and approval process shall be as follows:~~

~~(1) \_\_\_\_\_ The Participating TO shall review the Construction Documents and respond to the Interconnection Customer within thirty (30) Calendar Days of receipt of the documents, or as otherwise agreed to by the Parties. If the Participating TO approves the foregoing documents, such approval shall be set forth in writing within that time. However, if the Participating TO concludes the foregoing documents require changes in order to comply with the Participating TO's Specifications or Good Utility Practice, or to ensure that the ensuing facilities and upgrades will be compatible with the Participating TO's facilities, the Participating TO will submit a list of required changes within that time. The Interconnection Customer shall have sixty (60) Calendar Days after receipt of the required changes, or as otherwise agreed to in writing by the Parties, to revise the Construction Documents.~~

~~(2) \_\_\_\_\_ If the Interconnection Customer does not change the Construction Documents to the Participating TO's satisfaction within the time allotted, the Participating TO shall have the option to take over construction of the Deed-To Telecommunications Facilities at the Interconnection Customer's expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~

~~(e) \_\_\_\_\_ During construction of the Deed-To Telecommunications Facilities, the Participating TO shall have the right to access the Deed-To Telecommunications Facilities to conduct inspections of such facilities. In the event the Participating TO accesses the construction site, the Participating TO shall adhere to Good Utility Practice.~~

~~(f) \_\_\_\_\_ If, at any time during construction and until the transfer of ownership of the Deed-To Telecommunications Facilities in accordance with Section 3(i) below, the Participating TO determines that the Deed-To Telecommunications Facilities do not meet the Participating TO's standards and specifications, the following provisions shall apply:~~

~~(1) \_\_\_\_\_ The Participating TO shall provide written notification of the deficiencies to the Interconnection Customer within fifteen (15) Calendar Days after such determination. If the Interconnection Customer does not remedy such deficiencies within sixty (60) Calendar Days of receipt of written notification or as otherwise agreed to in writing by the parties, the Participating TO shall have the option to take over construction of the Deed-To Telecommunications Facilities, including the removal or tearing out of any defective or nonconforming facilities or work and the replacement with acceptable materials or work. Such work performed by the~~

~~Participating TO shall be at the Interconnection Customer's sole expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~

~~(2) \_\_\_\_\_ If the Participating TO exercises its option to take over construction of the Deed-To Telecommunications Facilities, the Interconnection Customer shall also be required to provide the Participating TO with sole title to the Deed-To Telecommunications Facilities and with required easements within sixty (60) Calendar Days after the Participating TO exercises its option to take over construction, or as otherwise agreed to in writing by the parties. The Participating TO may clear title to the foregoing facilities and upgrades. Such work performed by the Participating TO shall be the Interconnection Customer's sole expense.~~

~~(g) \_\_\_\_\_ The Participating TO shall apply, at the Interconnection Customer's sole expense, to obtain any regulatory approvals required to be obtained by the Participating TO for the construction, operation and maintenance of Deed-To Telecommunications Facilities.~~

~~(h) \_\_\_\_\_ In preparation for transferring ownership, pursuant to Section 3(i) below, of the Deed-To Telecommunications Facilities, the Interconnection Customer shall complete the following provisions:~~

~~(1) \_\_\_\_\_ The Interconnection Customer shall obtain manufacturer's standard warranties for the Deed-To Telecommunications Facilities which are transferable directly to the Participating TO pursuant to the terms of Title, Transfer, Assignment and Assumption Agreement specified in Section 3(i)(5) below.~~

~~(2) \_\_\_\_\_ The Interconnection Customer will warrant that it holds clear title to the foregoing facilities and upgrades, and that such title is free of any liens, claims, charges, security interests or other encumbrances.~~

~~(i) \_\_\_\_\_ Transfer of ownership of the Deed-To Telecommunications Facilities shall take place pursuant to the following schedule:~~

~~(1) \_\_\_\_\_ After the completion of construction of the Deed-To Telecommunications Facilities, the Interconnection Customer shall provide written notice of completion ("Notice of Completion") to the Participating TO within fifteen (15) Calendar Days of completion.~~

~~(2) \_\_\_\_\_ Upon receiving the Interconnection Customer's Notice of Completion, the Participating TO may request documents and information from the Interconnection Customer in order to establish, to the Participating TO's satisfaction, that the Interconnection Customer holds sole title, free of liens, claims, charges, security interests or other encumbrances, to the Deed-To Telecommunications Facilities. The Interconnection Customer shall have fifteen (15) Calendar Days to provide such documents and information, or as otherwise agreed to in writing by the parties.~~

~~(3) \_\_\_\_\_ After receiving the Notice of Completion, the Participating TO will perform an inspection and field test to determine whether the Deed-To Telecommunications Facilities meets the Participating TO's Specifications. The inspection and field test shall take place on a mutually agreed date no later than fifteen (15) Calendar Days after the Participating TO receives the Interconnection Customer's Notice of Completion. If the Parties are unable to agree upon a date before the fifteen (15) day period expires, the Participating TO shall have the right to enter the~~

~~premises to inspect the premises, and conduct field tests on a date of its choosing within the next fifteen (15) Calendar Days, or as otherwise agreed to in writing by the parties. The Participating TO shall provide the Interconnection Customer with written notice five (5) Calendar Days prior to the inspection and testing should this latter course be taken.~~

~~(4) \_\_\_\_\_ If the Participating TO is satisfied with the results of the foregoing inspection and field test, the Participating TO shall provide written notice of such satisfaction to the Interconnection Customer within fifteen (15) Calendar Days of the completion of the inspection and field test, or as otherwise agreed to in writing by the parties.~~

~~(5) \_\_\_\_\_ Within sixty (60) Calendar Days of the Interconnection Customer's receipt of the written notice of the satisfactory inspection and field test, or as otherwise agreed to in writing by the parties, the parties shall complete the transfer of the Deed-To Telecommunications Facilities from the Interconnection Customer to the Participating TO. Such transfer shall be made pursuant to a separate agreement labeled as "Title, Transfer, Assignment and Assumption Agreement".~~

~~(6) \_\_\_\_\_ Except for testing necessary to complete and approve the Deed-To Telecommunications Facilities, the Deed-To Telecommunications Facilities shall not be energized until such facilities and upgrades have been transferred, and any necessary easements have been provided, to the Participating TO. Such testing shall be coordinated and approved by the Participating TO.~~

~~(j) \_\_\_\_\_ Following the transfer of the Deed-To Telecommunications Facilities to the Participating TO, the Participating TO shall own, operate and maintain the Deed-To Telecommunications Facilities.~~

~~(k) \_\_\_\_\_ The Interconnection Customer shall deliver to the Participating TO "as-built" drawings, information, and any other documents that are required by the Participating TO to assure that the Deed-To Telecommunications Facilities are built to the standards and specifications required by the Participating TO within one hundred twenty (120) Calendar Days after the Commercial Operation Date.~~

#### ~~4. \_\_\_\_\_~~ **Interconnection Operations:**

~~(a) The Interconnection Customer shall cause the DPT 1 Project to comply with any requirements for SPS required to prevent thermal overloads and unstable conditions resulting from outages provided that such requirements are in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. If any new SPS or changes to an existing SPS are required to prevent thermal overloads and unstable conditions resulting from outages, Interconnection Customer shall comply with such requirements in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. Pursuant to Good Utility Practice, the CAISO and Participating TO will provide the Interconnection Customer advance notice of any required SPS and an opportunity to comment on the proposed changed or new SPS. The Participating TO and the CAISO reserve their right to accept or reject Interconnection Customer's comments and their decision in this~~

~~respect shall take precedence. The Participating TO and the CAISO shall establish any SPS in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. The Interconnection Customer shall not be responsible for the costs of new SPSs or changes to existing SPSs beyond that identified in Appendix A. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the DPT 1 Project Generating Facility is reduced or tripped off-line due to implementation of an SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. The CAISO and Participating TO shall act with due diligence to resolve and remove all situations that cause or caused implementation of the SPS or could result in reduced delivery of generation output.~~

~~(b) \_\_\_\_\_ The Interconnection Customer shall cause the DPT 1 Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~

~~(c) \_\_\_\_\_ Following outages of the Interconnection Facilities or the DPT 1 Project, the Interconnection Customer shall not energize the DPT 1 Project in parallel with the Participating TO's system for any reason without specific permission from the Participating TO's and the CAISO's operations personnel, as applicable. Such permission shall not be unreasonably withheld.~~

~~(d) \_\_\_\_\_ The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~**5. \_\_\_\_\_ Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the DPT 1 Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA.~~

**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 is a part of the LGIA.

**[Date]**

Mr. Stephen Ritty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: \_\_\_\_\_ **Solar Partners I, LLC** - DPT 1 Project  
Electric Generating Units

Dear Messrs. Ritty, Kott, and Law:

On **[Date]**, **Solar Partners I, LLC (formerly DPT Ivanpah, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)** has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that **Solar Partners I, LLC (formerly DPT Ivanpah, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)** commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

cc: Linda Wright

## Appendix F To LGIA

### Addresses for Delivery of Notices and Billings

#### Notices:

#### CAISO:

California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630

#### Participating TO:

Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770

#### Interconnection Customer:

BrightSource Energy-Solar Partners I, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612

#### Operational Matters, Force Majeure, and Outage Notices:

The Parties agree to exchange the following information prior to the Initial Synchronization Date of the DPT 1 Project.

<b>CALIFORNIA ISO</b>	<b>PARTICIPATING TO – SOUTHERN CALIFORNIA EDISON, COMPANY.</b>	<b>INTERCONNECTION CUSTOMER – SOLAR PARTNERS I, LLC</b>
<b>ISO Real Time Desk/24 Hour Desk:</b>	<b>Control Center/Switching Center:</b>	<b>DPT 1 Generating Facility</b>
<b>Alternate phone:</b>	<b>24-hour Telephone:</b>	<b>24-hour Telephone:</b>

~~Email (non-emergency only):~~

~~Email (non-emergency only):~~

~~Alternate phone:~~

~~Email (non-emergency only):~~

~~For Emergencies:~~

~~BrightSource Energy – Solar Partners I, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

~~Billings and Payments:~~

~~Participating TO:~~

~~Southern California Edison Company  
Accounts Receivable  
P. O. Box 600  
Rosemead, California 91770-0600~~

~~Interconnection Customer:~~

~~BrightSource Energy – Solar Partners I, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

~~CAISO:~~

~~California ISO  
Finance Dept.  
Mr. Dennis Estrada  
151 Blue Ravine Rd.  
Folsom, CA 95630~~

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

~~CAISO:~~

[lwright@caiso.com](mailto:lwright@caiso.com)  
[jbrown@caiso.com](mailto:jbrown@caiso.com)

Participating TO:

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
Tel: (626) 302-9640  
Fax: (626) 302-1152~~

---

Interconnection Customer:

~~BrightSource Energy – Solar Partners I, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Tel: (510) 550-8908  
Fax: (510) 550-8165  
[dbuchanan@brightsourceenergy.com](mailto:dbuchanan@brightsourceenergy.com)  
[tstewart@brightsourceenergy.com](mailto:tstewart@brightsourceenergy.com)~~

## ~~Appendix G To LGIA~~

### ~~Reliability Management System Agreement~~

~~RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
SOLAR PARTNERS I, LLC (formerly DPT Ivanpah, LLC, a subsidiary of  
BrightSource Energy, Inc. as successor to Luz II, Inc.)~~

~~THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the "Transmission Operator") and Solar Partners I, LLC (formerly DPT Ivanpah, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.) (the "Generator").~~

~~WHEREAS, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~WHEREAS, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~WHEREAS, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

#### ~~1. \_\_\_\_\_ PURPOSE OF AGREEMENT~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.~~

#### ~~2. \_\_\_\_\_ DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator or the Transmission Operator and

**Parties** means both of the Generator and the Transmission Operator.

**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.

**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.

**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### 3. TERM AND TERMINATION

~~**3.1 Term.** This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable.~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows:~~

- ~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~
- ~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~
- ~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

#### ~~4. \_\_\_\_\_ COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the~~

~~Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

## ~~5. \_\_\_\_\_~~ **SANCTIONS**

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

**6. THIRD PARTIES**

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

**7. REGULATORY APPROVALS**

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

**8. NOTICES**

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator: California ISO  
Ms. Roni Reese  
151 Blue Ravine Road  
Folsom, CA 95630  
Phone: (916) 608-7027  
Fax: (916) 608-7292~~

~~Generator: BrightSource Energy- Solar Partners I, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150~~

Oakland, CA 94612  
Phone: ~~(510) 550-8908~~  
Fax: ~~(510) 550-8165~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

**9. ~~\_\_\_\_\_~~ APPLICABILITY**

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

**10. ~~\_\_\_\_\_~~ AMENDMENT**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

**11. ~~\_\_\_\_\_~~ INTERPRETATION**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

**12. ~~\_\_\_\_\_~~ PROHIBITION ON ASSIGNMENT**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCG assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

**13. ~~\_\_\_\_\_~~ SEVERABILITY**

If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.

#### 14. COUNTERPARTS

This Agreement may be executed in counterparts and each shall have the same force and effect as an original.

**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.

#### California Independent System Operator Corporation

By: Keith E. Casey, PH.D

Name: \_\_\_\_\_

Title: Vice President, Market & Infrastructure Development

Date: February 2,  
2010

#### Solar Partners I, LLC (formerly DPT Ivanpah, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)

By: John Woolard

Name: \_\_\_\_\_

Title: President & CEO

Date: January 27, 2010

~~To LGIA  
(Not Applicable)~~

~~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. The LVRT standard provides for a transition period standard and a post-transition period standard.~~

~~Transition Period LVRT Standard~~

~~The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

~~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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.~~

~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~

~~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, etc.) 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 network 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.~~

### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 KK**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 78 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Solar Partners II, LLC, SCE, and ISO, designated as SCE Service Agreement No. 78

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,

  
\_\_\_\_\_  
Keith E. Casey

Dated: July 12, 2013

**Attachment LL - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1643**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Solar Partners II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 78.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 78, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment MM - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1643**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Solar Partners II, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 78.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 78, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

California Independent System Operator Corporation  
Non-Conforming Service Agreements  
Service Agreement No. 1643

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

~~AMONG~~

~~SOLAR PARTNERS II, LLC~~

~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

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~~Proposed Effective Date: August 3, 2010~~

~~Version Number: 0.0.0~~

~~Option Code: A~~

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## ~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~SOLAR PARTNERS II, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (“LGIA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among Solar Partners II, LLC, formerly DPT Ivanpah 2, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc., a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware (“**Interconnection Customer**” with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO’s Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

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

**IRS** shall mean the Internal Revenue Service.

~~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.~~

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

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

~~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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~——— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~

~~**2.4 — Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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.~~

~~**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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's~~

~~Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7~~ — **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~**ARTICLE 7. METERING**~~

~~**7.1 — General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~9.2 — **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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~**9.9— Use of Interconnection Facilities by Third Parties.**~~

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

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

~~**9.10— Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~

**11.4 Transmission Credits.** ~~No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~**11.6—Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3—Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in~~

~~immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.

**Southern California Edison Company**

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

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

Date: \_\_\_\_\_

**California Independent System Operator Corporation**

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

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

Date: \_\_\_\_\_

**Solar Partners II, LLC**

By: BrightSource Energy Inc.,  
Its Managing Member

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

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

Date: \_\_\_\_\_

## **Appendices to LGIA**

~~Appendix A—Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for a Wind Generating Plant~~

## Appendix A To LGIA

### Interconnection Facilities, Network Upgrades and Distribution Upgrades

#### 1. Interconnection Facilities:

(a) ~~Interconnection Customer's Interconnection Facilities:~~ The Interconnection Customer shall

(i) ~~In the event that the DPT 2 Project precedes ahead of the project listed at queue position number 131 in the California ISO Controlled Grid Generation Queue ("CAISO No.131"), the Interconnection Customer will prepare a grading and drainage plan showing the finished substation pad for the Participating TO's new 220/115 kV interconnection substation (hereinafter referred to as "Ivanpah Substation") graded to meet Participating TO's size and slope requirements. The substation pad which includes the fenced-in substation (measuring 850 feet by 885 feet) and a 10 foot wide buffer around the entire station is 870 feet by 905 feet. This does not include any side slope areas needed to transition from the graded pad to the natural desert floor. The design needs to provide drainage improvements that protect the Ivanpah Substation site from up-slope surface run-off and prevent down-slope erosion or other damage due to uncontrolled water flow. The design also needs to provide an access road extending from the Interconnection Customer's planned roadway network. The Interconnection Customer provided to the Participating TO its existing geotechnical study of the Ivanpah Substation site ("Converse Consultants' Geotechnical Study prepared for Bright Source Energy, Dated October 18, 2009"). The Interconnection Customer shall grade the site and access road in accordance with the grading plan, as approved by the Participating TO.~~

(ii) ~~Install one 78/100/130 MVA, 115/13.8 kV main transformer or an alternate transformer as approved in advance and writing by the CAISO and Participating TO.~~

(iii) ~~Install one 115 kV generation tie-line approximately one and one quarter mile long from the DPT 2 Project Generating Facility to the last structure owned by the Interconnection Customer outside of and nearest to the property line boundary at Ivanpah Substation. The generation tie-line shall be equipped with optical ground wire ("OPGW") to provide the telecommunication path required for the line protection and one of the two telecommunication paths required for the Special Protection System ("SPS").~~

(iv) ~~Install all required CAISO-approved compliant metering at the DPT 2 Project.~~

(v) ~~Provide a metering cubicle for the Participating TO to install its retail metering equipment and related meters. Such cubicle must be placed at a location that would allow twenty-four hour access for the Participating TO's metering personnel.~~

(vi) ~~Install the following line protection relays at the termination point of the DPT 2 Project's 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:~~

- ~~• One General Electric (GE) L90 current differential relay with dual dedicated digital communication channels to Ivanpah Substation.~~

- ~~One Schweitzer SEL 311L current differential relay with dual dedicated digital communication channels to Ivanpah Substation.~~

~~(vii) Install the following SPS relays at the termination point of the DPT 2 Project 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:~~

- ~~Two GE N60 relays (for the SPS) to trip the main generator breaker.~~

- ~~One SEL 2407 satellite synchronized clock.~~

~~(viii) Provide adequate space and power sources within the Interconnection Customer's facilities for the installation of the Participating TO's telecommunications terminal equipment interfacing with the Interconnection Customer's 115 kV generation tie-line protection and SPS relays described in Section 1(a)(vii) above and the Participating TO's Remote Terminal Unit ("RTU") installed at the DPT 2 Project's Generating Facility.~~

~~(ix) Install disconnect facilities in accordance with Section 5.11 of the Participating TO's Interconnection Handbook to comply with the Participating TO's switching and tagging procedures.~~

**~~(b) Participating TO's Interconnection Facilities:~~**

**~~(i) Telecommunications:~~**

**~~A. Deed To Telecommunications Facilities (as defined in Section 7 of this Appendix A):~~**

The Interconnection Customer shall:

- ~~Engineer, design, construct and install the following items, except as otherwise specified in Section 1(b)((i)B below and in accordance with the Participating TO's list of approved suppliers; materials specifications; and engineering, design and construction guidelines and specifications (together, the "Participating TO's Specifications"):~~

- ~~Terminal equipment at the DPT 2 Project Generating Facility to support the 115 kV generation tie-line protection and SPS-1 and SPS-2 relays.~~

- ~~Fiber optic cable from the nearest Interconnection Customer structure or underground conduit, or other structure or location, agreed to by the Parties, outside of the Ivanpah Substation fence to the DPT 2 Project Generating Facility to provide the second telecommunications path required for the SPSs.~~

- ~~Provide all engineering, design and construction drawings; bills of material; and all other documents required by the Participating TO ("Construction Documents") to verify compliance with the Participating TO's Specifications.~~

**~~B. Participating TO's Telecommunications Work:~~**

The Participating TO shall:

- ~~Terminal Equipment at Ivanpah Substation:~~

~~Install terminal equipment at Ivanpah Substation to support the 115 kV generation tie-line protection and SPS-1 and SPS-2 relays.~~

- ~~Terminal Equipment at DPT 2 Project:~~
  - ~~Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO's Specifications for the terminal equipment at the DPT 2 Project.~~
  - ~~Inspect and test the terminal equipment at the DPT 2 Project to verify compliance with the Participating TO's Specifications.~~
- ~~Second Telecommunications Path from Ivanpah Substation to the DPT 2 Project:~~
  - ~~Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO's Specifications for the fiber optic cable.~~
  - ~~Splice and terminate the fiber optic cable.~~
  - ~~Inspect and test the fiber optic cable to verify compliance with the Participating TO's Specifications.~~

~~Notwithstanding the fact that the terminal equipment at the DPT 2 Project Generating Facility and the second telecommunications path (i.e. the fiber optic cable) will be located on the Interconnection Customer's side of the Point of Change of Ownership, such equipment and fiber optic cable will be owned by the Participating TO.~~

**(ii) — Transmission Lines:**

**— DPT 2 Project – Ivanpah 115 kV Generation Tie-Line**

~~The Participating TO shall install the rack span of the DPT 2 Project 115-kV generation tie-line from the last structure owned by the Interconnection Customer, outside of and closest to the property line boundary at Ivanpah Substation, to the station dead-end structure. (It is assumed that such last Interconnection Customer structure will be close enough to the Ivanpah Substation perimeter fence that only one span of conductors will be required to reach the station 115-kV switchyard dead-end structure.)~~

**(iii) — Substations:**

**Ivanpah Substation — Line Termination**

~~The Participating TO shall terminate the DPT 2 Project 115-kV generation tie-line into a position at Ivanpah Substation.~~

**(iv) — Power System Control:**

**RTU — Generating Facility**

~~The Participating TO shall install one RTU at the DPT 2 Project to monitor the typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit and the plant auxiliary load and transmit the information to the Lugo Substation remote port server. Notwithstanding the fact that the RTU equipment at the DPT 2 Project Generating Facility will be located on the Interconnection Customer's side of the Point of Change of Ownership, the RTU will be owned, operated, and maintained by the Participating TO.~~

**2. — Network Upgrades:**

~~(a) Stand Alone Network Upgrades: None.~~

~~(b) Other Network Upgrades: None.~~

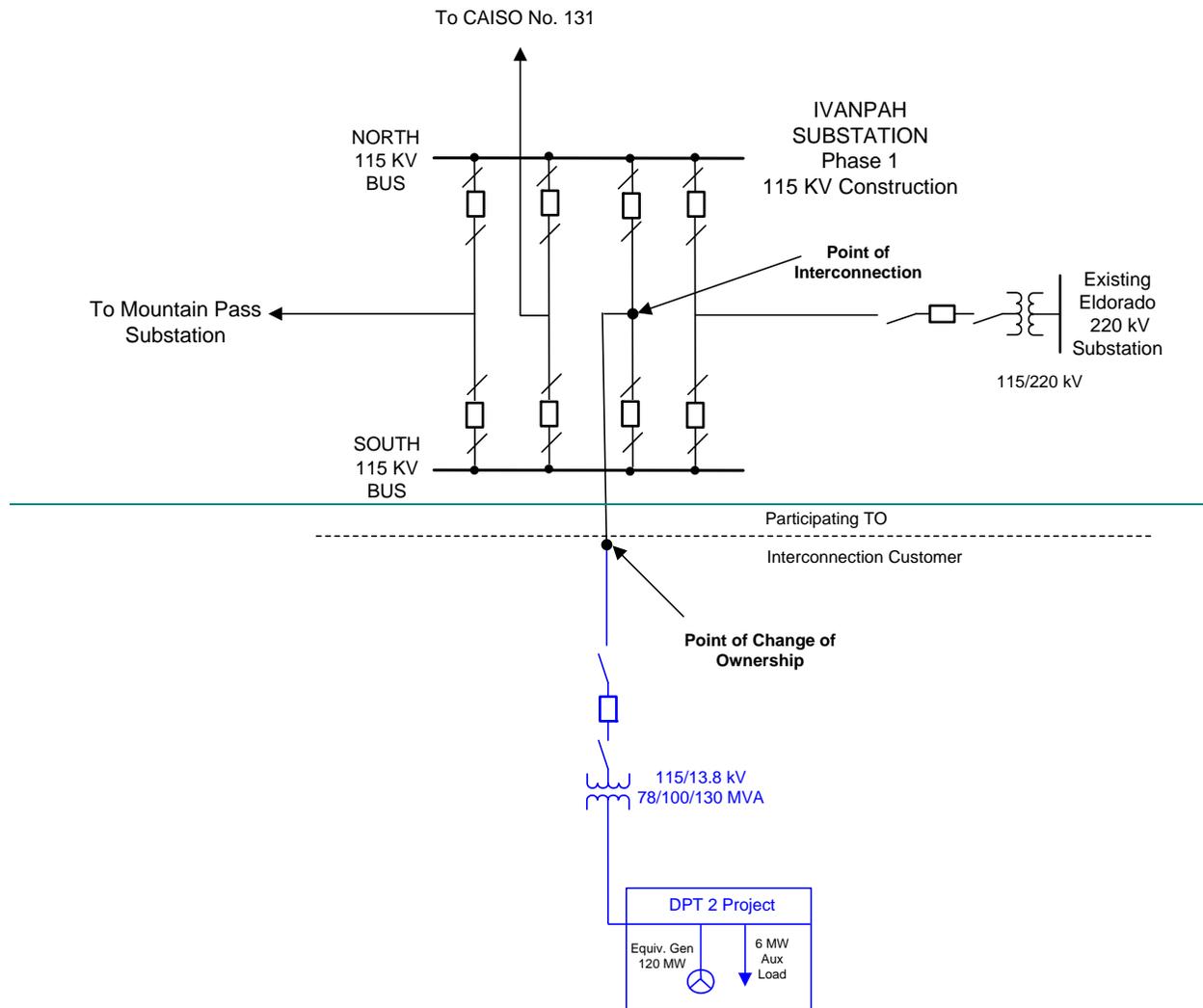
~~3. Distribution Upgrades: None.~~

~~4. Point of Change of Ownership:~~

~~The Point of Change of Ownership is the south facing insulator, which is owned by the Participating TO, attached to the dead-end structure of the DPT 2 Project's 115-kV generation tie-line located outside of the property line boundary to the Ivanpah Substation perimeter fence. The Interconnection Customer owns the dead-end structure, the north facing insulators and conductors from the dead-end structure to the Interconnection Customer's facilities, and the jumpers between the Participating TO's conductor and the Interconnection Customer's conductor.~~

~~5. Point of Interconnection: DPT 2 Project's Point of Interconnection with the CAISO Controlled Grid is at the Participating TO's Ivanpah Substation 115-kV bus.~~

**6. One-Line Diagram of Interconnection to Ivanpah Substation:**



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

(a) Abandoned Plant Approval: A FERC final order, not subject to rehearing or appeal, granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the EITP if such project is abandoned due to circumstances outside of the Participating TO's control.

(b) Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.

~~(c) — Capital Additions: Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.~~

~~(d) — CPUC: The California Public Utilities Commission, or its regulatory successor.~~

~~(e) — Credit Support: Guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.~~

~~(f) — Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.~~

~~(g) — Deed-To Telecommunications Facilities: The Participating TO's Interconnection Facilities, as specified in Section 1(b)(i)A of this Appendix A constructed by the Interconnection Customer and owned by the Participating TO following transfer of ownership.~~

~~(h) — Deed-To Telecommunications Facilities Cost: All costs associated with the design, engineering, procurement, construction and installation of the Deed-To Telecommunications Facilities. The Deed-To Telecommunications Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(i) — Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades.~~

~~(j) — Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(k) — Eldorado – Ivanpah Transmission Project (“EITP”): The Participating TO’s generation interconnection master plan to connect up to 1,400 MW of renewable generation located near the southern California-Nevada border to the CAISO Controlled Grid. The main project components consist of the following: construction of a new 220/115 kV Ivanpah Substation; replacement of a portion of an existing 115-kV line with an approximately thirty-six mile, double-circuit 220 kV transmission line from the new Ivanpah Substation to the Participating TO’s Eldorado Substation near Boulder City, Nevada; upgrade of Eldorado Substation to support the connection of the new transmission lines; and construction of two separate telecommunication pathways and communication equipment to connect the EITP to the Participating TO’s existing telecommunications system.~~

~~(l) — Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO’s Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~

~~(m) — Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO’s Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~

~~(n) — Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO’s Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

~~(o) — Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost, excluding the Deed-To-Telecommunication Facilities Cost, and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~

~~(p) — ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO’s tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A.~~

~~(q) — One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO’s Interconnection Facilities, Delivery Network Upgrades Reliability Network Upgrades or Capital Additions which are not capitalized.~~

~~(r) — Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering,~~

procurement, construction and installation of the Participating TO's Reliability Network Upgrades.

~~(s) — **Reliability Network Upgrades Payment:** The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~

~~(t) — **Removal Cost:** The cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~

~~(u) — **Special Protection System ("SPS"):** A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~

~~(v) — **Units of Property:** As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~(w) — **Virtual Network Upgrades:** A second Eldorado—Ivanpah 115 kV hypothetical line, comprised of approximately thirty six miles of new "virtual line" using single line construction and 653KCMIL ACSR conductors between Eldorado Substation and the new Ivanpah Substation. Such line would be equipped with one ½ In steel OHGW and one OPGW and one 115 kV double breaker line position at Ivanpah Substation. These facilities are those required to interconnect the DPT 2 Project to determine cost responsibility and not the facilities that will actually be constructed.~~

~~**8. — **Transmission Credits:** No transmission credits are applicable since this LGIA assumes that the Participating TO will up-front finance the EITP components required for the DPT 2 Project and triggered by CAISO No. 131.**~~

~~**9. — **Security Amount for the Participating TO's Interconnection Facilities and Network Upgrades:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$1,119,000 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities, excluding the Deed-To Telecommunications Facilities. In the event that the DPT 2 Project precedes CAISO No. 131 and the Participating TO does not receive Abandoned Plant Approval, the Interconnection Customer shall provide additional Credit Support for the costs for constructing, procuring and installing the network upgrades identified in Section 17(a) of this Appendix A, in an amount to be reflected in an amendment to this LGIA. The disposition of any released Credit Support shall be directed by the Interconnection Customer.**~~

**10. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:

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

Estimated tax liability = 35% \* Interconnection Facilities Cost = 35% \* \$1,119,000 = \$391,650

Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$391,650, pursuant to Article 5.17.3 and Appendix B of the LGIA.

The amount specified herein shall be revised to include the security amount for the Deed To Telecommunications Facilities pursuant to an amendment to the LGIA subject to FERC's acceptance or approval.

**11. Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

**12. Charges:**

(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Interconnection Facilities Payment; (iii) Reliability Network Upgrades Payment; (iv) Interconnection Facilities Charge; (v) payments for any Capital Additions; (vi) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (vii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (viii) termination charges pursuant to Article 2.4 of the LGIA, provided that if the DPT 2 Project precedes CAISO No. 131 such charges shall not be applicable to the extent the costs associated with termination of the LGIA are subject to Abandoned Plant Approval received by the Participating TO; and (ix) disconnection costs pursuant to Article 2.5 of the LGIA.

~~(b) — The Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One Time Cost, and Removal Cost shall be compiled in accordance with Accounting Practice.~~

~~(c) — If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be adjusted as appropriate to reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

~~The following Sections 12(d) through 12(i) shall be applicable only in the event that the DPT 2 Project precedes CAISO No. 131.~~

~~(d) — The network upgrades specified in Section 17(a) of this Appendix A comprise part of the EITP. The Participating TO will up front finance the network components of EITP, including those network upgrades specified in Section 17(a) of this Appendix A, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~

~~(i) — Abandoned Plant Approval.~~

~~(ii) — Continued achievement of development milestones by the Interconnection Customer, as described herein and in Table 1 below:~~

~~A. — At the time the Participating TO receives Abandoned Plant Approval, the Interconnection Customer must have secured for the DPT 2 Project, the~~

~~—— Site Control as defined in the CAISO Tariff Appendix A Master Definitions Supplement.~~

~~B. — Prior to the Participating TO commencing final engineering and design of the network upgrades specified in Section 17(a) and the applicable Participating TO's Interconnection Facilities, the Interconnection Customer must have secured all required permits for the DPT 2 Project.~~

~~C. — Prior to the Participating TO mobilizing its procurement and construction and commencing construction of the network upgrades specified in Section 17(a) and the Participating TO's Interconnection Facilities, Interconnection Customer must have secured development financing for the DPT 2 Project.~~

~~D. — Prior to Participating TO constructing facilities to provide 115 kV backfeed power, Interconnection Customer must have constructed its generation tie line to the Ivanpah Substation.~~

## **Participating TO Transmission Development and Interconnection Customer Generation Development Milestones and Decision Points**

The Parties acknowledge that the Interconnection Customer's original requested In-Service Date of 2010 is not feasible due to the transmission upgrades necessary to accommodate the full amount of electrical output listed in the Interconnection Request. The Interconnection Customer has requested that the Participating TO complete the necessary upgrades to support the Interconnection Customer's revised In-Service Date of the DPT 2 Project to third quarter 2012. The Participating TO has filed an application for a Certificate of Public Convenience and Necessity ("CPCN") with the CPUC for the EITP. The Participating TO's EITP schedule published in its CPCN application currently shows an in-service date of mid 2013. The Parties, however, acknowledge that if certain key regulatory approvals are obtained earlier than the dates in the 2013 schedule, and the Participating TO elects to perform some of its engineering and permitting tasks in parallel, it is feasible for EITP to achieve a third quarter 2012 in-service date. The Participating TO has agreed to use Reasonable Efforts to achieve the Interconnection Customer's requested In-Service Date. The Participating TO has also agreed to up-front finance the network upgrades identified in Section 17(a) of this Appendix A under the terms specified in this Section 12(d) and move forward on the faster schedule subject to the Interconnection Customer also moving forward on its schedule and achieving certain milestones as identified in Table 1 below. The Parties have agreed that it is prudent to remain in-synch with respect to the schedule of EITP and the DPT 2 Project so that neither the Participating TO nor the Interconnection Customer is too far ahead or lags the other. The Participating TO, CAISO and CAISO No. 131 have already agreed to use Reasonable Efforts to achieve a third quarter 2012 in-service date for EITP to support the planned initial synchronization of CAISO No. 131 in the third quarter of 2012. The Interconnection Customer supports the 2012 date and each Party will make Reasonable Efforts to support the other Party's key regulatory processes and filings to support the desired third quarter 2012 EITP in-service date and DPT 2 Project's Initial Synchronization Date.

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

**Group 1 Milestones and Decision Point #1**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
		Interconnection Customer secures final Site Control	
Participating TO executes LGIA with Interconnection Customer and CAISO for DPT 2 Project		Interconnection Customer executes LGIA with Participating TO and CAISO for DPT 2 Project	
Participating TO receives Abandoned Plant Approval <sup>(1)</sup>			

DECISION POINT #1: Following completion of all Group 1 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones. Parties exercise options as outlined in Table 2

**Group 2 Milestones and Decision Point #2**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO receives draft environmental impact report/environmental impact statement from the CPUC for EITP <sup>(1)</sup>		Interconnection Customer secures CEC affirmative decision and Bureau of Land Management (BLM) Record of Decision (ROD) granting right-of-way (ROW) for DPT 2 Project Generating Facility and common area <sup>(2)</sup> at a minimum <sup>(3)</sup>	

DECISION POINT #2: Following completion of all Group 2 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones. Parties exercise options as outlined in Table 2

**Group 3 Milestones and Decision Point #3**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO commences final design and engineering of transmission line and substation		Interconnection Customer selects EPC contractor	
Participating TO receives all required licenses/permits, including CPCN from CPUC, certificate from Nevada Public Utilities Commission, and ROD/ROW decision from BLM <sup>(4)</sup>		Interconnection Customer secures financing to construct DPT 2 Project	
Participating TO begins to procure long-lead time items <sup>(4)</sup>			

DECISION POINT #3: Following completion of all Group 3 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones. Parties exercise options as outlined in Table 2

**Group 4 Milestones and Decision Point #4**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO mobilizes procurement and construction <sup>(5)</sup>		Interconnection Customer mobilizes EPC contractor <sup>(6)</sup>	
Participating TO completes 33kV construction power service connection to serve construction power*		Interconnection Customer commences construction of DPT 2 Project, including site prep/grading for Ivanpah Substation site	

DECISION POINT #4: Following completion of all Group 4 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

**Group 5 Milestones and Decision Point #5**

<b>Participating TO Milestone</b>		<b>Interconnection Customer Milestone</b>	
Participating TO commences construction of EITP transmission line facilities and telecommunication facilities		Interconnection Customer commences construction of power tower(s), heliostat field, and power block for DPT 2 Project	
Participating TO commences construction of Ivanpah Substation <sup>(7)</sup>			

DECISION POINT #5: Following completion of all Group 5 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within thirty (30) days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

**Group 6 Milestones and Decision Point #6**

<b>Participating TO Milestone</b>	<b>Comments</b>	<b>Interconnection Customer Milestone</b>	<b>Comments</b>
Participating TO energizes EITP upgrades, enabling Commercial Operation of DPT 2 Project		Initial parallel connection of DPT 2 Project synchronized to Participating TO grid for testing	
		Commercial Operation of DPT 2 Project	

DECISION POINT #6: Following completion of all Group 6 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 6 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2

Footnotes:

- (1) — Outside the control of the Participating TO
- (2) — The common areas include the following items: the administrative/maintenance building complex; the main fire, water and raw water pumps; and miscellaneous yard lighting in such common area
- (3) — Outside the control of the Interconnection Customer
- (4) — May occur prior to Decision Point #1 for certain items
- (5) — Linked to item outside the control of the Participating TO
- (6) — Linked to item outside the control of the Interconnection Customer
- (7) — Subject to prior completion of grading for Ivanpah Substation by the Interconnection Customer

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO General Option: At each Decision Point, the Participating TO has the following options:*

At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance network upgrades identified in Section 17(a) of this Appendix A.

If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:

- 1) Confirm its commitment to finance network upgrades (but have no obligation to do so)
- 2) Discontinue its commitment to finance network upgrades, in which case network upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.
- 3) Terminate the LGIA, subject to termination provisions in the LGIA
- 4) Other actions in accordance with the LGIA provisions that are mutually agreeable to both parties

*Table 2B— Interconnection Customer General Option: At each Decision Point, the Interconnection Customer has the following options:*

At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.

If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:

- 1) Continue to develop its Generation Facility (but have no obligation to do so)
- 2) Adjust its development milestones, day-for-day, as appropriate, to the Participating TO's new timetable(s)
- 3) Terminate the LGIA, subject to termination provisions in the LGIA
- 4) Other actions in accordance with the LGIA provisions that are mutually agreeable to both parties

~~Upon reaching each Decision Point described in Table 1 above, the parties have the ability to exercise the options described in Table 2. At such time, a window of fifteen (15) Calendar Days shall open and each Party shall have fifteen (15) Calendar Days to notify the other Party of what, if any, option it has elected to take. The parties may extend this window by mutual agreement and may exercise option 4 as well. If a Party does not exercise any option during the fifteen (15) Calendar Day window then it shall be deemed to have elected option 1.~~

~~The termination provisions provided in option 3 of Table 2A and Table 2B above are an addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.~~

~~In case of a conflict in terms contained in this Section 12(d) and the terms in the CAISO Tariff or in the LGIA Articles, the terms of the CAISO Tariff and the LGIA Articles, shall apply.~~

~~(f) In the event that the Participating TO does not receive Abandoned Plant Approval, this LGIA shall be amended such that the Interconnection Customer shall be responsible for the costs of the Virtual Network Upgrades, subject to FERC's acceptance or approval. The CAISO and the Participating TO have produced projected Virtual Network Upgrades cost in the November 23, 2009 Facilities Study Report, which have not been fully discussed and agreed upon by the Parties. If an amendment to this LGIA is necessary to address the Virtual Network Upgrades cost, such amendment incorporating the final Network Virtual Upgrades cost as agreed to by the Parties shall be subject to FERC's acceptance and approval.~~

~~(g) The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 13(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~

~~(h) If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 12(d) above (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. The Participating TO shall have the option either to stop work on the EITP until the Breach has been cured or to amend this LGIA to require the Interconnection Customer to begin up-front financing the cost of the Virtual Network Upgrades if such Breach has not been cured by the Interconnection Customer.~~

~~(i) — Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~

**13. — Supplemental Billing and Payment Provisions:**

~~(a) — Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(b) — Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(c) — In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~(i) — For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~(ii) — Except as provided in Section 7(b) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~(iii) — Except as provided in Section 7(b) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~(d) — As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the payment made by the Interconnection Customer for estimated costs of the Capital Additions exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's payment made for the estimated costs of the Capital Additions, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the payment made by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~(e) — If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~(f) — The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Participating TO attributable to the service provided under the LGIA.~~

**14. Interconnection Facilities, Reliability Network Upgrades and Delivery Network Upgrades Cost Summary:**

(a) Estimated Cost:

<b>Element</b>	<b>Interconnection Facilities Cost</b>	<b>Interconnection Customer's Virtual Network Upgrades Cost Responsibility**</b>
Eldorado – Ivanpah 115kV T/L – “Virtual Line”		\$18,600,000
<b>Total</b>		\$18,600,000
<b>Participating TO's Interconnection Facilities – SCE Work:</b>		
DPT 2 – Ivanpah 115 kV Generation Tie Line	\$207,000	
Ivanpah Substation – 115 kV Double Breaker Line Position	315,000	
Telecommunications – SCE Work	481,000	
Power System Control – RTU at Generating Facility	116,000	
<b>Subtotal</b>	<b>\$1,119,000</b>	
<b>Participating TO's Interconnection Facilities – Interconnection Customer's Work:</b>		
Deed To Telecommunications Facilities	[TBD]*	
<b>Subtotal</b>	<b>[TBD]*</b>	
<b>Total</b>	<b>[TBD]*</b>	

\* Cost to be provided pursuant to an amendment to the LGIA, subject to FERC's acceptance or approval.

\*\*Interconnection Customer's cost responsibility for the Virtual Network Upgrades is based on virtual cost allocation methodology of Participating TO's total cost of delivery and reliability network upgrades shown in the November 23, 2009 Facilities Study Report. This Interconnection Customer Project will be responsible for this cost if CAISO No. 131 proceeds with its interconnection and the Participating TO does not upfront finance the network upgrades identified in Section 17(a) of this Appendix A.

(b) Actual Cost:

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



<b>Effective Date</b>	<b>Customer-Financed Monthly Rate</b>	<b>Interconnection Facilities Cost*</b>	<b>Interconnection Facilities Charge*</b>	<b>Interconnection Facilities Cost*</b>	<b>Interconnection Facilities Charge*</b>
<b>As of the Interconnection Facilities Completion Date*</b>	0.38%	\$1,119,000	\$4,252.20	[to be inserted after true-up]	[to be inserted after true-up]

\*The Interconnection Facilities Cost and Interconnection Facilities Charge do not include the cost of the Deed-To-Telecommunications Facilities which will be added, by an amendment to this LGIA, when such cost has been determined.

**16.— Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades:**

An estimate of the monthly incurred costs to be paid by the Interconnection Customer is as shown.

Note: This estimate assumes that the LGIA has been executed by July 31, 2010, to achieve a requested August, 2012 In-Service Date.

Payment Period	Interconnection Facilities Cost*, excluding the Deed-To Telecommunications Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Total*	Due Date
1	\$10,000				\$10,000	10/1/2010
2	\$10,000				\$10,000	11/1/2010
3	\$10,000				\$10,000	12/1/2010
4	\$20,000				\$20,000	01/1/2011
5	\$20,000				\$20,000	02/1/2011
6	\$20,000				\$20,000	03/1/2011
7	\$30,000				\$30,000	04/1/2011
8	\$30,000				\$30,000	05/1/2011
9	\$30,000				\$30,000	06/1/2011
10	\$40,000				\$40,000	07/1/2011
11	\$60,000				\$60,000	08/1/2011
12	\$70,000				\$70,000	09/1/2011
13	\$70,000				\$70,000	10/1/2011
14	-\$70,000				\$70,000	11/1/2011
15	-\$70,000				\$70,000	12/1/2011
16	-\$70,000				\$70,000	1/1/2012
17	-\$70,000				\$70,000	2/1/2012
18	-\$70,000				\$70,000	3/1/2012
19	-\$60,000				\$60,000	4/1/2012
20	-\$60,000				\$60,000	5/1/2012
21	-\$60,000				\$60,000	6/1/2012
22	-\$60,000				\$60,000	7/1/2012
23	\$60,000				\$60,000	8/1/2012
24	\$49,000				\$49,000	9/1/2012
<b>— Total</b>	<b>\$1,119,000</b>		-		<b>\$1,119,000</b>	

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$0~~

~~Interconnection Facilities Payment = (Interconnection Facilities Cost, excluding the Deed-To Telecommunications Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$1,119,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost)~~  
~~\_\_\_\_\_ = \$0~~

~~\_\_\_\_\_~~

**17. Other Potential Facilities:**

(a) The Interconnection Customer understands and acknowledges that the Interconnection of the DPT 2 Project is dependent upon the completion of the following network and distribution upgrades that comprise the EITP. The Participating TO has committed to finance the EITP provided that the Participating TO receives Abandoned Plant Approval in accordance with the CAISO No. 131 Standard Large Generator Interconnection Agreement.

(b) In the event that the CAISO No. 131 Standard Large Generator Interconnection Agreement is terminated or suspended, and the Participating TO does not receive Abandoned Plant Approval for the EITP, then the Interconnection Customer would be responsible for financing the network and distribution upgrades identified below, unless such upgrades are modified in accordance with Section 19 of this Appendix A, as needed to implement the EITP interconnection. The Interconnection Customer's revised financing responsibility for such network and distribution upgrades would be reflected in an amendment to this LGIA. Such amendment shall be subject to FERC acceptance or approval.

**(i) Transmission Lines:**

**A. Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115kV Line – Line Removal**

Remove approximately thirty six miles of existing line between Eldorado Substation and the new Ivanpah Substation to provide space for the construction of the new Eldorado – Ivanpah No.1 and No. 2 220kV transmission lines.

**B. Eldorado – Ivanpah No. 1 220 kV Transmission Line (Initially Energized at 115 kV)**

Install approximately thirty six miles of new double circuit 220 kV transmission line, initially energized at 115 kV, equipped with 2 1590 kcmil ACSR conductors on one side of the structure. The line will be equipped with OPGW to provide the second telecommunication path required for the SPS and other telecommunication requirements applicable to the Ivanpah Substation.

**C. Eldorado – Ivanpah 115 kV Transmission Line – 115 kV Connections to First and Last 220 kV Structures**

Install a new section of 115 kV line from the Ivanpah 115 kV switchyard to the first 220 kV structure closest to the Ivanpah switchyard placed on the existing 115 kV right-of-way using 336.4 kcmil ACSR conductors to connect the new 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.

Cut the existing line at the Eldorado Substation end and connect the existing 336.4 kcmil ACSR conductors to the last 220 kV structure closest to Eldorado Substation to

connect the existing 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.

**D. Eldorado – Lugo 500 kV Transmission Line**

Replace one of the two overhead ground wires (OHGW) with new optical ground wire (OPGW) on the first 30 circuit miles of line from Eldorado Substation to a structure near the town of Nipton. This transmission upgrade is required to provide a segment for one of the telecommunication channels from Eldorado Substation to the new Nipton microwave site. Participating TO may install a functional alternative to this telecommunication path if an economic and feasible alternative is determined to be available.

**E. Eldorado – Ivanpah 115 kV Transmission Line – Line Loop**

Loop the existing line into Ivanpah Substation and form the two new Ivanpah – Baker – Cool Water – Dunn Siding – Mountain Pass and Eldorado – Ivanpah 115 kV Lines.

**(ii) Substations:**

**A. Ivanpah Substation – 115 kV Initial Configuration**

Install the initial configuration of a new 1120 MVA, 220/115 kV substation consisting of the section of 115 kV switchyard with three double-breaker line positions to loop the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line in and out of the station.

The initial configuration will also include the site preparation, perimeter fences, control cable trenches and paved driveways for the complete 885-foot by 850-foot area required for the ultimate configuration plus the installation of the mechanical electrical equipment room (MEER) and a microwave antenna tower.

**B. Cool Water Generating Station 115 kV Switchyard – Line Protection Upgrades**

Upgrade the line protection relays on the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah – Baker – Dunn Siding – Mountain Pass 115 kV Line.

**C. Eldorado Substation – Line Protection Upgrades**

Upgrade the line protection relays on the existing Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah 115 kV line.

**D. Eldorado Substation – Transformer Upgrade**

Replace the existing 108 MVA, 220/115 kV transformer bank with a new 280 MVA transformer.

**E. Mountain Pass Substation – Line Protection Upgrades**

Upgrade the line protection relays on the existing Eldorado – Baker – Cool Water – Dunn Siding 115 kV line, which will become the Ivanpah – Baker – Cool Water – Dunn Siding 115 kV Line.

**(iii) — Telecommunications:**

**Special Protection Schemes**

Install terminal equipment at Ivanpah Substation to support the SPS—1 and SPS—2 relays.

Install new all-dielectric self-supporting (ADSS) fiber optic cable on new poles and a segment of underground fiber optic cable from the Eldorado—Lugo 500 kV structure located near the town of Nipton to the new Nipton microwave repeater site.

Install a new microwave path between the new Nipton microwave repeater site and Ivanpah Substation.

Install approximately seven miles of new ADSS fiber optic cable on existing 33 kV poles from Ivanpah Substation to Mountain Pass Substation.

Install approximately one mile of new ADSS fiber optic cable on the existing Nipton 33 kV circuit poles from Mountain Pass Substation to the Mountain Pass AT&T communications site.

Also install interface terminal equipment at all locations addressed above plus new signal amplifying equipment at Mountain Pass Substation.

**(iv) — Power System Control:**

**RTU—Ivanpah Substation**

Install one RTU at Ivanpah Substation to monitor the 115 kV line elements.

**(v) — Corporate Real Estate:**

**A. — Ivanpah Substation and Fiber Optic Cables**

Perform all activities related to survey, mapping and land acquisition as required to install the new Ivanpah Substation and all new fiber optic cables.

**B. — Eldorado - Ivanpah 220 kV Transmission Lines**

Perform all activities related to the licensing and permitting process for the new Eldorado—Ivanpah No. 1 and No. 2 220 kV transmission lines.

**(vi) — Licensing and Permitting:**

**Eldorado—Ivanpah 220 kV Transmission Lines**

Perform all activities related to the licensing and permitting process for the new Eldorado—Ivanpah No. 1 and No. 2 220 kV transmission lines.

**(vii) — Distribution Line:**

Route a section of the existing Nipton 33 kV distribution circuit out of Mountain Pass Substation into Ivanpah Substation to provide a source of substation light and power.



<b>Element</b>	<b>Participating TO's Delivery Network Upgrades Estimated Cost</b>	<b>Participating TO's Reliability Network Upgrades Estimated Cost</b>	<b>Participating TO's Total Estimated Cost of EITP Components Network Upgrade Costs Only</b>
EITP 220kV T/L – Double Circuit with One Initial Circuit Only Energized at 115kV	\$198,528,000		\$198,528,000
EITP 115kV T/L – 115kV Connections to First & Last 220kV Structures	\$844,000		\$844,000
EITP 115kV T/L – Removal of Existing Line	\$2,883,000		\$2,883,000
Eldorado Substation – Replacement of 220/115kV Transformer Bank	\$5,650,000		\$5,650,000
Corporate Real Estate Activities Related to EITP 220kV T/L Right of Way	\$7,771,000		\$7,771,000
Licensing and Permitting Activities Related to EITP 220kV T/L Right of Way	\$10,252,000		\$10,252,000
Eldorado – Lugo 500kV T/L – Replace one OHGW with OPGW		\$25,269,000	\$25,269,000
Ivanpah Substation – 115 kV Switchyard		\$19,125,000	\$19,125,000
Cool Water G.S. 115kV Switchyard – Line Protection Upgrades		\$588,000	\$588,000
Eldorado Substation – Line Protection Upgrades		\$588,000	\$588,000
Mountain Pass Substation – Line Protection Upgrades		\$588,000	\$588,000
Facilities for SPS-1 and SPS-2		\$7,692,000	\$7,692,000
RTU at Ivanpah Substation		\$73,000	\$73,000
Corporate Real Estate Activities Related to Ivanpah Substation and New Fiber Optic Lines		\$487,000	\$487,000
Eldorado-B-CW-DS-Mountain Pass 115kV T/L – Loop into Ivanpah Substation		\$804,000	\$804,000
<b>Total</b>	<b>\$225,928,000</b>	<b>\$55,214,000</b>	<b>\$281,142,000</b>

(b) The Virtual Network Upgrades required for the DPT 2 Project assume that CAISO No. 131 proceeds with its interconnection. In the event that CAISO No. 131 withdraws from the California ISO Controlled Grid Generation Queue, the DPT 2 Project would instead be responsible for the following costs, if the EITP components are not upfront financed by the Participating TO:

Element		Interconnection Customer's Maximum Cost Responsibility
<del>EITP 115kV T/L - Removal of Existing Line</del>		\$3,150,000
<del>Eldorado Substation - Replacement of 220/115kV Transformer Bank</del>		\$5,650,000
<del>Corporate Real Estate Activities Related to EITP 220kV T/L Right of Way</del>		\$10,200,000
<del>Licensing and Permitting Activities Related to EITP 220kV T/L Right of Way</del>		\$6,900,000
<del>Eldorado - Lugo 500kV T/L - Replace one OHGW with OPGW</del>		\$25,400,000
<del>Ivanpah Substation - 115 kV Switchyard</del>		\$19,125,000
<del>Cool Water G.S. 115kV Switchyard - Line Protection Upgrades</del>		\$588,000
<del>Eldorado Substation - Line Protection Upgrades</del>		\$588,000
<del>Mountain Pass Substation - Line Protection Upgrades</del>		\$588,000
<del>Facilities for SPS-1 and SPS-2</del>		\$9,260,000
<del>RTU at Ivanpah Substation</del>		\$73,000
<del>Eldorado - Ivanpah 115kV T/L - "Virtual Line"</del>		\$18,600,000
<del>Corporate Real Estate Activities Related to Ivanpah Substation and New Fiber Optic Lines</del>		\$2,000,000
<del>Eldorado-B-CW-DS-Mountain Pass 115kV T/L - Loop into Ivanpah Substation</del>		\$804,000
<del>Total</del>		\$102,926,000

## 18. Temporary Interconnection

(a) At the Interconnection Customer's request, the Facilities Study Report, dated November 23, 2009 performed for the DPT 2 Project considered an earlier temporary interconnection option prior to the completion of EITP ("Temporary Interconnection") in which the DPT 2 Project could interconnect and generate for deliveries at a reduced output of approximately 83 MW provided that no other generation project utilizes such Temporary Interconnection at the same time. In order to accommodate this Temporary Interconnection, the Participating TO has determined that a portion of the network upgrades described in this LGIA Appendix A, Section 17(a) would be required and that those network upgrades would be used for both the Temporary Interconnection and the planned long-term permanent interconnection. Additionally, some additional temporary facilities that are necessary for the Temporary Interconnection were also identified in the Facilities Study Report as needed for the long-term permanent interconnection. The costs for the network upgrades and temporary facilities to accommodate the Temporary Interconnection were identified in the Facilities Study Report dated November 23, 2009.

(b) The Participating TO has determined that the Temporary Interconnection could accommodate the DPT 2 Project on a reduced output basis of approximately 83 MW provided that no other generation project utilizes such Temporary Interconnection at the same time. The Parties are still discussing final arrangements for the Temporary Interconnection. Pursuant to the results of the Facilities Study, the estimated time to complete the facilities required for Temporary Interconnection is approximately 24 months, subject to resource availability, after the appropriate authorizations and financing have been received. Additionally, the portion of the network upgrades identified in Section 17(a) of this Appendix A necessary to accommodate the Temporary Interconnection may be financed by the Participating TO pursuant to the terms of this LGIA.

(c) If Interconnection Customer elects the option for the Temporary Interconnection, the Parties have agreed to amend this LGIA to provide the Temporary Interconnection. Such amendment would be subject to FERC acceptance or approval. If, at that time, the Participating TO has received the regulatory approvals contemplated in this LGIA for it to finance the network upgrades, then the amendment for the Temporary Interconnection shall address only those facilities identified as Temporary Facilities in the Facilities Study Report dated November 23, 2009. If the Participating TO has not received the regulatory approvals contemplated in this LGIA for it to finance the network upgrades, then the amendment for the Temporary Interconnection shall address both Temporary Facilities and that portion of the network upgrades necessary to support the Temporary Interconnection. In the latter case, the Participating TO may require the Interconnection Customer to finance such network upgrades until such time as it has received the regulatory approvals contemplated in this LGIA for the Participating TO to finance the network upgrades. If the Interconnection Customer has financed such network upgrades and the Participating TO subsequently receives such regulatory approval, the Participating TO shall refund Interconnection Customer's advanced financing including interest (FERC rate). The Interconnection Customer reserves the

right to challenge the costs identified in the report, and by agreeing to certain costs in this LGIA does not waive such right.

#### **19. Conditions for Modification of Specification of Network Upgrades**

~~(a) — The network upgrades specified in Section 17(a) of this Appendix A anticipate additional upgrades for other interconnection customers including CAISO No. 131, which has already executed an LGIA, and the project listed at queue position number 233 in the California ISO Controlled Grid Generation Queue (“CAISO No. 233”), and are designed to facilitate the possibility of interconnecting additional generation. As such, these network upgrades include additional facilities that would not be required solely for the interconnection of the Interconnection Customer’s DPT 2 Project Generating Facility. Accordingly, unless at least one of the conditions specified in Section 19(b) has been satisfied by July 31, 2010, the CAISO may, in its sole discretion, determine that a review of the network upgrades specified in Section 17(a) of this Appendix A is required in order to assess whether and to what extent these network upgrades should be modified. If this review indicates that such modification is required, the CAISO shall consult with the Participating TO and Interconnection Customer and shall determine the extent to which the network upgrades must be modified to allow the upgrades to be approved by the CAISO for construction, either through any FERC-approved process to promote the development of transmission facilities to facilitate the integration of renewable resources, or through an amendment to this LGIA.~~

~~(b) — Notwithstanding the provisions in Section 19(a), no modification to the network upgrades specified in Section 17(a) shall be required if: (1) the Participating TO has received a Certificate of Public Convenience and Necessity from the CPUC authorizing the construction of the network upgrades identified in Section 17(a), and has satisfied any conditions in that CPUC authorization requiring further CAISO approval of that construction, as those upgrades are part of the overall Eldorado-Ivanpah Transmission Project; or (2) the Interconnection Customer (or another interconnection customer) has entered into one or more other LGIAs for additional generating facilities sufficient to trigger the need for the construction of the network upgrades identified in Section 17(a), or has requested the CAISO to file such other LGIA(s) unexecuted with FERC in order to resolve any disagreement between the parties thereto.~~

~~(c) — With respect to Section 19(b), the Parties have agreed that the Standard Large Generator Interconnection Agreements for CAISO No. 131 and CAISO No. 233 along with this LGIA shall be sufficient to meet the condition in Section 19(b)(2). The CAISO, the Participating TO, and the Interconnection Customer have also agreed to model this LGIA on the approaches taken in the LGIA for CAISO No. 131 so that the LGIAs are consistent except for the differences that are necessary such as megawatt levels and upgrade cost that are unique to the interconnection requests. This principle shall also apply to an unexecuted LGIA filed with FERC.~~

**Appendix B  
To LGIA**

**Milestones**

~~1. The Interconnection Customer's Selected Option:~~ Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

~~2. Milestone Dates:~~

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities** to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submittal of security for the Participating TO's Interconnection Facilities** to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA.	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(f)	Submittal of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix G	Interconnection Customer	At least thirty (30) Calendar Days prior to start of construction of the Deed-To Telecommunications Facilities

(g)	Review of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix G	Participating TO	Within thirty (30) Calendar Days of receipt of Construction Documents
(h)	Completion of the Participating TO's Interconnection Facilities,** Distribution Upgrades and Network Upgrades	Participating TO	Within thirty (30) months following the Effective Date or within 14 months of approval of CPCN, whichever is earlier*
(i)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the DPT 2 Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(j)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(k)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation
(l)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications
(m)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the DPT 2 Project, including System Protection Facilities, to the Participating TO	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date

	and the CAISO as specified in Article 5.10.1 of the LGIA		
(n)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(o)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(p)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the in-service date
(q)	In-service date of DPT 2 Project	Interconnection Customer	8/30/12* IC required to provide written request
(r)	Initial Synchronization Date	Interconnection Customer	4/29/13* IC required to provide written request
(s)	Trial Operation period	Interconnection Customer	4/29/13 – 7/1/13*
(t)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(u)	Testing of the Participating TO's Interconnection Facilities Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's Interconnection Facilities and the DPT 2 Project in accordance with Article 6.1 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date
(v)	Provide written approval to the Interconnection Customer for the operation of the DPT 2 Project in accordance with Article 6.1 of the LGIA	Participating TO	At least fifteen (15) Calendar Days prior to the Initial Synchronization Date
(w)	Commercial Operation Date	Interconnection Customer	7/1/13* (Requires formal written request for changes to COD)

(x)	Submittal of "as-built" drawings, information and documents for (i) the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO, and (ii) the Deed-To Telecommunications Facilities for approval by the Participating TO in accordance with Section 3(l) of Appendix C	Interconnection Customer	Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed
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~~\* Note: The Interconnection Customer and Participating TO understand and acknowledge that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, availability of utility services or other unforeseen events could delay the actual In-Service Date beyond that specified. The Parties shall work diligently and use good faith efforts to meet the milestone due dates listed above and shall keep each other apprised of progress and status on a regular basis.~~

~~\*\* Excludes the Deed-To Telecommunications Facilities~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone due dates. If the Participating TO materially misses milestone due dates and if Interconnection Customer exercises its option in Table 2B in Appendix A to adjust its dates, then milestones in this Appendix B may be adjusted, if appropriate, so that Interconnection Customer's construction progress remains coordinated with Participating TO's construction progress.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the DPT 2 Project may require re-evaluation due to the suspension of the DPT 2 Project and changes to the Participating TO's electrical system or addition of new generating resources.~~

## **Appendix C To LGIA**

### **Interconnection Details**

**1. — ~~Generating Facility:~~** All equipment and facilities comprising the proposed solar generating facility with a rated output of 120 MW and an auxiliary load of 6 MW for a total net output of 114 MW, located in San Bernardino County, California approximately six miles west of the California/Nevada border, as disclosed by the Interconnection Customer in its interconnection application, which consists of four solar-powered steam boilers powering a 114 MW synchronous steam turbine-generator, meters and metering equipment and appurtenant equipment (the “DPT 2 Project”).

### **2. — ~~Interconnection Customer Operational Requirements.~~**

(a) — Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the DPT 2 Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WECC reliability standards and Applicable Reliability Standards.

(b) — The DPT 2 Project shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO’s electric system: (i) inadvertent and unwanted re-energizing of a utility dead line or bus; (ii) interconnection while out of synchronization; (iii) overcurrent; (iv) voltage imbalance; (v) ground faults; (vi) generated alternating current frequency outside permitted safe limits; (vii) poor power factor or reactive power outside permitted limits; and abnormal waveforms.

### **3. — ~~Interconnection Principles:~~**

(a) — This LGIA provides for interconnection of a total capability of 114 MW, resulting from the interconnection of the DPT 2 Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capability provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.

(b) — Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the DPT 2 Project or the Interconnection Customer’s Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the DPT 2 Project or the Interconnection Customer’s Interconnection Facilities.

~~(c) — The Interconnection Customer, at its sole expense, shall design, engineer, procure, construct, and install the Deed To Telecommunications Facilities in accordance with the Participating TO's Specifications.~~

~~(d) — Prior to commencing construction of the Deed To Telecommunications Facilities, the Participating TO shall review the Interconnection Customer's Construction Documents and, if acceptable, approve the design, engineering, and layout of the Deed To Telecommunications Facilities. Such approval shall not be unreasonably withheld. The review and approval process shall be as follows:~~

~~(1) — The Participating TO shall review the Construction Documents and respond to the Interconnection Customer within thirty (30) Calendar Days of receipt of the documents, or as otherwise agreed to by the Parties. If the Participating TO approves the foregoing documents, such approval shall be set forth in writing within that time. However, if the Participating TO concludes the foregoing documents require changes in order to comply with the Participating TO's specifications or Good Utility Practice, or to ensure that the ensuing facilities and upgrades will be compatible with the Participating TO's facilities, the Participating TO will submit a list of required changes within that time. The Interconnection Customer shall have sixty (60) Calendar Days after receipt of the required changes, or as otherwise agreed to in writing by the Parties, to revise the Construction Documents.~~

~~(2) — If the Interconnection Customer does not change the Construction Documents to the Participating TO's satisfaction within the time allotted, the Participating TO shall have the option to take over construction of the Deed To Telecommunications Facilities at the Interconnection Customer's expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~

~~(e) — During construction of the Deed To Telecommunications Facilities, the Participating TO shall have the right to access the Deed To Telecommunications Facilities to conduct inspections of such facilities. In the event the Participating TO accesses the construction site, the Participating TO shall adhere to Good Utility Practice.~~

~~(f) — If, at any time during construction and until the transfer of ownership of the Deed To Telecommunications Facilities in accordance with Section 3(i) below, the Participating TO determines that the Deed To Telecommunications Facilities do not meet the Participating TO's standards and specifications, the following provisions shall apply:~~

~~(1) — The Participating TO shall provide written notification of the deficiencies to the Interconnection Customer within fifteen (15) Calendar Days after such determination. If the Interconnection Customer does not remedy such deficiencies within sixty (60) Calendar Days of receipt of written notification or as otherwise agreed to in writing by the parties, the Participating TO shall have the option to take over construction of the Deed To Telecommunications Facilities, including the removal or tearing out of any defective or nonconforming facilities or work and the replacement with acceptable materials or work. Such work performed by the Participating TO shall be at the Interconnection Customer's sole expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~

~~(2) — If the Participating TO exercises its option to take over construction of the Deed To Telecommunications Facilities, the Interconnection Customer shall also be required to provide the Participating TO with sole title to the Deed To Telecommunications Facilities and with required easements within sixty (60) Calendar Days after the Participating TO exercises its option to take over construction, or as otherwise agreed to in writing by the parties. The~~

Participating TO may clear title to the foregoing facilities and upgrades. Such work performed by the Participating TO shall be the Interconnection Customer's sole expense.

(g) — The Participating TO shall apply, at the Interconnection Customer's sole expense, to obtain any regulatory approvals required to be obtained by the Participating TO for the construction, operation and maintenance of Deed To Telecommunications Facilities.

(h) — In preparation for transferring ownership, pursuant to Section 3(i) below, of the Deed To Telecommunications Facilities, the Interconnection Customer shall complete the following provisions:

(1) — The Interconnection Customer shall obtain manufacturer's standard warranties for the Deed To Telecommunications Facilities which are transferable directly to the Participating TO pursuant to the terms of "Title, Transfer, Assignment and Assumption Agreement" specified in Section 3(i)(5) below.

(2) — The Interconnection Customer will warrant that it holds clear title to the foregoing facilities and upgrades, and that such title is free of any liens, claims, charges, security interests or other encumbrances.

(i) — Transfer of ownership of the Deed To Telecommunications Facilities shall take place pursuant to the following schedule:

(1) — After the completion of construction of the Deed To Telecommunications Facilities, the Interconnection Customer shall provide written notice of completion ("Notice of Completion") to the Participating TO within fifteen (15) Calendar Days of completion.

(2) — Upon receiving the Interconnection Customer's Notice of Completion, the Participating TO may request documents and information from the Interconnection Customer in order to establish, to the Participating TO's satisfaction, that the Interconnection Customer holds sole title, free of liens, claims, charges, security interests or other encumbrances, to the Deed To Telecommunications Facilities. The Interconnection Customer shall have fifteen (15) Calendar Days to provide such documents and information, or as otherwise agreed to in writing by the parties.

(3) — After receiving the Notice of Completion, the Participating TO will perform an inspection and field test to determine whether the Deed To Telecommunications Facilities meets the Participating TO's Specifications. The inspection and field test shall take place on a mutually agreed date no later than fifteen (15) Calendar Days after the Participating TO receives the Interconnection Customer's Notice of Completion. If the Parties are unable to agree upon a date before the fifteen (15) Calendar Day period expires, the Participating TO shall have the right to enter the premises to inspect the premises, and conduct field tests on a date of its choosing within the next fifteen (15) Calendar Days, or as otherwise agreed to in writing by the parties. The Participating TO shall provide the Interconnection Customer with written notice five (5) Calendar Days prior to the inspection and testing should this latter course be taken.

(4) — If the Participating TO is satisfied with the results of the foregoing inspection and field test, the Participating TO shall provide written notice of such satisfaction to the Interconnection Customer within fifteen (15) Calendar Days of the completion of the inspection and field test, or as otherwise agreed to in writing by the parties.

(5) — Within sixty (60) Calendar Days of the Interconnection Customer's receipt of the written notice of the satisfactory inspection and field test, or as otherwise agreed to in writing by the parties, the parties shall complete the transfer of the Deed To Telecommunications Facilities from the Interconnection Customer to the Participating TO. Such transfer shall be made

pursuant to a separate agreement labeled as “Title, Transfer, Assignment and Assumption Agreement”.

~~(6) — Except for testing necessary to complete and approve the Deed To Telecommunications Facilities, the Deed To Telecommunications Facilities shall not be energized until such facilities and upgrades have been transferred, and any necessary easements have been provided, to the Participating TO. Such testing shall be coordinated and approved by the Participating TO.~~

~~(j) — Following the transfer of the Deed To Telecommunications Facilities to the Participating TO, the Participating TO shall own, operate and maintain the Deed To Telecommunications Facilities.~~

~~(k) — The Interconnection Customer shall deliver to the Participating TO “as built” drawings, information, and any other documents that are required by the Participating TO to assure that the Deed To Telecommunications Facilities are built to the standards and specifications required by the Participating TO within one hundred twenty (120) Calendar Days after the Commercial Operation Date.~~

~~(l) — The Interconnection and operation of the DPT 2 Project is dependent upon the completion of the EITP network and distribution upgrades identified in Section 17(a) of Appendix A.~~

#### **4. — Interconnection Operations:**

~~(a) The Interconnection Customer shall cause the DPT 2 Project to comply with any requirements for SPS required to prevent thermal overloads and unstable conditions resulting from outages provided that such requirements are in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements and pursuant to Good Utility Practice. If any new SPS or changes to an existing SPS are required to prevent thermal overloads and unstable conditions resulting from outages Interconnection Customer shall comply with such requirements in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements and pursuant to Good Utility Practice. Pursuant to Good Utility Practice, the CAISO and Participating TO will provide the Interconnection Customer advance notice of any required SPS and an opportunity to comment on the proposed changed or new SPS. The Participating TO and the CAISO reserve their right to accept or reject Interconnection Customer’s comments and their decision in this respect shall take precedence. The Participating TO and the CAISO shall establish any SPS in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements and pursuant to Good Utility Practice. The Interconnection Customer shall not be responsible for the costs of new SPSs or changes to existing SPSs beyond that identified in Appendix A. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the DPT 2 Project Generating Facility is reduced or tripped off-line due to implementation of an SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. The CAISO and Participating TO shall act with due diligence to resolve and remove all situations that cause or caused implementation of the SPS or could result in reduced delivery of generation output.~~

~~(b) — The Interconnection Customer shall cause the DPT 2 Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~

~~(c) — Following outages of the Interconnection Facilities or the DPT 2 Project, the Interconnection Customer shall not energize the DPT 2 Project in parallel with the Participating TO's system for any reason without specific permission from the Participating TO's and the CAISO's operations personnel, as applicable. Such permission shall not be unreasonably withheld.~~

~~(d) — The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~**5. — Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the DPT 2 Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA.~~

## **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.aiso.com/pubinfo/info-security/index.html>.

**Appendix E  
To LGIA**

**Commercial Operation Date**

This Appendix E is a part of the LGIA.

**[Date]**

Mr. Stephen Rutty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Administration and Billing  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: ~~Solar Partners II, LLC – DPT 2 Project Electric Generating Units~~

Dear Messrs. Rutty, Kott, and Law:

On **[Date]**, **Solar Partners II, LLC (formerly DPT Ivanpah 2, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)** has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that **Solar Partners II, LLC (formerly DPT Ivanpah 2, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)** commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

| cc: Linda Wright

**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

CAISO:

California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630

Participating TO:

Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770

Interconnection Customer:

BrightSource Energy- Solar Partners II, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612

Operational Matters, Force Majeure, and Outage Notices:

The Parties agree to exchange the following information prior to the Initial Synchronization Date of the DPT 2 Project.

<b>CALIFORNIA ISO</b>	<b>PARTICIPATING TO – SOUTHERN CALIFORNIA EDISON, COMPANY.</b>	<b>INTERCONNECTION CUSTOMER – SOLAR PARTNERS II, LLC</b>
<b>CAISO Real Time Desk/24 Hour Desk:</b>	<b>Control Center/Switching Center:</b>	<b>DPT 2 Generating Facility</b>
<b>Alternate phone:</b>	<b>24-hour Telephone:</b>	<b>24-hour Telephone:</b>

~~Email (non-emergency only):~~

~~Email (non-emergency only):~~

~~Alternate phone:~~

~~Email (non-emergency only):~~

~~For Emergencies:~~

~~BrightSource Energy – Solar Partners II, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

~~Billings and Payments:~~

~~Participating TO:~~

~~Southern California Edison Company  
Accounts Receivable  
P. O. Box 600  
Rosemead, California 91770-0600~~

~~Interconnection Customer:~~

~~BrightSource Energy – Solar Partners II, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

~~CAISO:~~

~~California ISO  
Finance Dept.  
Mr. Dennis Estrada  
151 Blue Ravine Rd.  
Folsom, CA 95630~~

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

~~CAISO:~~

[lwright@caiso.com](mailto:lwright@caiso.com)  
[jbrown@caiso.com](mailto:jbrown@caiso.com)

Participating TO:

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
Tel: (626) 302-9640  
Fax: (626) 302-1152~~

~~————~~ Interconnection Customer:

~~BrightSource Energy- Solar Partners II, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Tel: (510) 550-8908  
Fax: (510) 550-8165  
[dbuchanan@brightsourceenergy.com](mailto:dbuchanan@brightsourceenergy.com)  
[tstewart@brightsourceenergy.com](mailto:tstewart@brightsourceenergy.com)~~

**Appendix G  
To LGIA**

**Reliability Management System Agreement**

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT**

**by and between**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**and**

**SOLAR PARTNERS II, LLC (formerly DPT Ivanpah 2, LLC, a subsidiary of  
BrightSource Energy, Inc. as successor to Luz II, Inc.)**

**THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT** (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the "Transmission Operator") and Solar Partners II, LLC (formerly DPT Ivanpah 2, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.) (the "Generator").

**WHEREAS**, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;

**WHEREAS**, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and

**WHEREAS**, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:

**1. \_\_\_\_\_ PURPOSE OF AGREEMENT**

The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.

**2. \_\_\_\_\_ DEFINITIONS**

In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.

**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.

**FERC** means the Federal Energy Regulatory Commission or a successor agency.

**Member** means any party to the WSCC Agreement.

**Party** means either the Generator or the Transmission Operator and

**Parties** means both of the Generator and the Transmission Operator.

**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.

**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.

**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.

**WSCC** means the Western Systems Coordinating Council or a successor entity.

**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.

**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.

**WSCC Staff** means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.

### **3. TERM AND TERMINATION**

**3.1 Term.** This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any

~~changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable.~~

~~**3.2 Notice of Termination of WSCC RMS Agreement.** The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~**3.3 Termination by the Generator.** The Generator may terminate this Agreement as follows:~~

~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~

~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~

~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~**3.4 Termination by the Transmission Operator.** The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~**3.5 Mutual Agreement.** This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

#### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~**4.1 Compliance with Reliability Criteria.** The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not~~

limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.

**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.

**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.

**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.

**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.

## **5. — SANCTIONS**

**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.

**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.

**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.

## **6. — THIRD PARTIES**

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~8. NOTICES~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator:—  
California ISO  
Ms. Roni Reese  
151 Blue Ravine Road  
Folsom, CA 95630  
Phone: (916) 608-7027  
Fax: (916) 608-7292~~

~~Generator:—  
BrightSource Energy Solar Partners II, LLC  
Attn: Doug Buchanan, VP, US Project Development &  
Todd Stewart, Director, Project Development (Ivanpah)~~

~~1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Phone: (510) 550-8908  
Fax: (510) 550-8165~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## **~~9. APPLICABILITY~~**

~~This Agreement (including all appendices hereto and, by reference, the WSCC Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## **~~10. AMENDMENT~~**

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

## **~~11. INTERPRETATION~~**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

## **~~12. PROHIBITION ON ASSIGNMENT~~**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant~~

~~to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

**13. SEVERABILITY**

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

**14. COUNTERPARTS**

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

\_\_\_\_\_  
\_\_\_\_\_

~~**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.~~

**California Independent System Operator Corporation**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Solar Partners II, LLC (formerly DPT Ivanpah 2, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Appendix H  
To LGIA  
(Not Applicable)**

**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. The LVRT standard provides for a transition period standard and a post-transition period standard.

**Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

~~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, etc.) 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 network 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.~~

### **Post-transition Period LVRT Standard**

~~All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 NN**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 85 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among Solar Partners VIII, LLC, SCE, and ISO, designated as SCE Service Agreement No. 85

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment OO - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1645**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among Solar Partners VIII, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 85.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 85, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment PP - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 1645**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among Solar Partners VIII, LLC, Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 85.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 85, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

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

~~AMONG~~

~~SOLAR PARTNERS VIII, LLC~~

~~AND~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~AND~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

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~~Proposed Effective Date: August 3, 2010~~

~~Version Number: 0.0.0~~

~~Option Code: A~~

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~~STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT~~

~~SOLAR PARTNERS VIII, LLC~~

~~SOUTHERN CALIFORNIA EDISON COMPANY~~

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION~~

~~**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** (“LGIA”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and among Solar Partners VIII, LLC, a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc., a limited liability company organized and existing under the laws of the State/Commonwealth of Delaware (“**Interconnection Customer**” with a Large Generating Facility), Southern California Edison Company, 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 connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.

**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO’s Interconnection Facilities, Network~~

Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.

**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.

**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 Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean the engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~**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.~~

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

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

~~**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 Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.

**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.

~~———— **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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 thirty (30) years from the Effective Date 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, which notice has been accepted for filing by FERC.~~
- ~~**2.4 Termination Costs.** If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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.~~

~~**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 ½ of 1 percent per day of the actual cost of the Participating TO's Interconnection Facilities and Network Upgrades, in the aggregate, for which the Participating TO has assumed responsibility to design, procure and construct.~~

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

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 and in accordance with the Reliability Management System Agreement in Appendix G. 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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

- ~~5.6.3~~ The Participating TO has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and
- ~~5.6.4~~ The Interconnection Customer has provided payment and security to the Participating TO in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- ~~5.7~~ **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** ~~The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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.~~

~~**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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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.~~

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

## **ARTICLE 7. METERING**

- ~~**7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 the Applicable Reliability Council requirements, and the Interconnection Customer shall execute the Reliability Management System Agreement of the Applicable Reliability Council attached hereto as Appendix G. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.~~

~~**9.2 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 and in accordance with the Reliability Management System Agreement in Appendix G. If the Large Generating Facility's speed governors and voltage regulators are improperly tuned or malfunctioning, the 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency~~

~~deviations, shall be studied and coordinated with the Participating TO and 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 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable

Reliability Council standard, the alternative Applicable Reliability Council standard shall control.

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

**9.9 — Use of Interconnection Facilities by Third Parties.**

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

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

**9.10 — Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the 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 solely funded by the Interconnection Customer.~~
- ~~**11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.~~

~~**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

~~**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete~~

~~portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

~~In addition:~~

~~**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

~~**11.6 Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.~~

~~**12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.~~

~~**12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

~~.1. **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.

**Southern California Edison Company**

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

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

Date: \_\_\_\_\_

**California Independent System Operator Corporation**

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

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

Date: \_\_\_\_\_

**Solar Partners VIII, LLC**

By: BrightSource Energy Inc.,  
Its Managing Member

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

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

Date: \_\_\_\_\_

## **Appendices to LGIA**

~~Appendix A—Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

~~Appendix B—Milestones~~

~~Appendix C—Interconnection Details~~

~~Appendix D—Security Arrangements Details~~

~~Appendix E—Commercial Operation Date~~

~~Appendix F—Addresses for Delivery of Notices and Billings~~

~~Appendix G—Reliability Management System Agreement~~

~~Appendix H—Interconnection Requirements for a Wind Generating Plant~~

## ~~Appendix A To LGIA~~

### ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

#### ~~17. Interconnection Facilities:~~

- ~~1) **Interconnection Customer's Interconnection Facilities:** The Interconnection Customer shall~~
- ~~— Install one 156/208/260 MVA, 115/13.8 kV main transformer or an alternate transformer as approved in advance and writing by the CAISO and Participating TO.~~
  - ~~— Install one 115 kV generation tie-line approximately 2.67 mile long from the Ivanpah Solar Electric Generating System 3 (“Ivanpah 3 Project”) facility to the last structure owned by the Interconnection Customer outside of and nearest to the property line boundary at Ivanpah Substation. The generation tie-line shall be equipped with optical ground wire (“OPGW”) to provide the telecommunication path required for the line protection and one of the two telecommunication paths required for the Special Protection System (“SPS”).~~
  - ~~— Install all required CAISO-approved compliant metering at the Ivanpah 3 Project.~~
  - ~~— Provide a metering cubicle for the Participating TO to install its retail metering equipment and related meters. Such cubicle must be placed at a location that would allow twenty-four hour access for the Participating TO's metering personnel.~~
  - ~~— Install the following line protection relays at the termination point of the Ivanpah 3 Project's 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:
 
    - ~~• One General Electric (GE) L90 current differential relay with dual dedicated digital communication channels to Ivanpah Substation.~~
    - ~~• One Schweitzer SEL 311L current differential relay with dual dedicated digital communication channels to Ivanpah Substation.~~~~
  - ~~A. — Install the following SPS relays at the termination point of the Ivanpah 3 Project 115 kV generation tie-line at the Interconnection Customer's 115 kV switchyard, as specified by the Participating TO:
 
    - ~~— Two GE N60 relays (for the SPS) to trip the main generator breaker.~~
    - ~~• One SEL – 2407 satellite synchronized clock.~~~~
  - ~~(viii) — Provide adequate space and power sources within the Interconnection Customer's facilities for the installation of the Participating TO's~~

~~telecommunications terminal equipment interfacing with the Interconnection Customer's 115 kV generation tie-line protection and SPS relays described in Section 1(a)(vii) above and the Participating TO's Remote Terminal Unit ("RTU") installed at the Ivanpah 3 Project's Generating Facility.~~

- ~~(ix) Install disconnect facilities in accordance with Section 5.11 of the Participating TO's Interconnection Handbook to comply with the Participating TO's switching and tagging procedures.~~

~~**e. Participating TO's Interconnection Facilities:**~~

~~**a. Telecommunications:**~~

~~**A. Deed-To Telecommunications Facilities (as defined in Section 7 of this Appendix A):**~~

~~The Interconnection Customer shall:~~

- ~~— Engineer, design, construct and install the following items, except as otherwise specified in Section 1(b)(i)B below and in accordance with the Participating TO's list of approved suppliers; materials specifications; and engineering, design and construction guidelines and specifications (together, the "Participating TO's Specifications"):~~
- ~~— Terminal equipment at the Ivanpah 3 Project Generating Facility to support the 115 kV generation tie-line protection and SPS relays.~~
- ~~— Fiber optic cable from the nearest Interconnection Customer structure or underground conduit, or other structure or location, agreed to by the Parties, outside of the Ivanpah Substation fence to the Ivanpah 3 Project Generating Facility to provide the second telecommunications path required for the SPSs.~~
- ~~— Provide all engineering, design and construction drawings; bills of material; and all other documents required by the Participating TO ("Construction Documents") to verify compliance with the Participating TO's Specifications.~~

~~**B. Participating TO's Telecommunications Work:**~~

~~— The Participating TO shall:~~

- ~~(b) Terminal Equipment at Ivanpah Substation:~~

Install terminal equipment at Ivanpah Substation to support the 115 kV generation tie-line protection and SPS.

~~(c) Terminal Equipment at Ivanpah 3 Project:~~

- ~~— Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO's Specifications for the terminal equipment at the Ivanpah 3 Project.~~
- ~~— Inspect and test the terminal equipment at the Ivanpah 3 Project to verify compliance with the Participating TO's Specifications.~~

~~(d) Second Telecommunications Path from Ivanpah Substation to the Ivanpah 3 Project:~~

- ~~— Review and approve all Construction Documents required from the Interconnection Customer to verify compliance with the Participating TO's Specifications for the fiber optic cable.~~
- ~~— Splice and terminate the fiber optic cable.~~
- ~~— Inspect and test the fiber optic cable to verify compliance with the Participating TO's Specifications.~~

~~Notwithstanding the fact that the terminal equipment at the Ivanpah 3 Project Generating Facility and the second telecommunications path (i.e. the fiber optic cable) will be located on the Interconnection Customer's side of the Point of Change of Ownership, such equipment and fiber optic cable will be owned by the Participating TO.~~

**b. — Transmission Lines:**

~~— Ivanpah 3 Project — Ivanpah 115 kV Generation Tie-Line~~

~~The Participating TO shall install the rack span of the Ivanpah 3 Project 115 kV generation tie-line from the last structure owned by the Interconnection Customer, outside of and closest to the property line boundary at Ivanpah Substation, to the station dead — end structure. (It is assumed that such last Interconnection Customer structure will be close enough to the Ivanpah Substation perimeter fence that only one span of conductors will be required to reach the station 115 kV switchyard dead-end structure.)~~

**c. — Substations:**

~~**Ivanpah Substation — Line Termination**~~

~~The Participating TO shall terminate the Ivanpah 3 Project 115 kV generation tie-line into a position at Ivanpah Substation.~~

**d. Power System Control:****RTU – Generating Facility**

The Participating TO shall install one RTU at the Ivanpah 3 Project to monitor the typical generation elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit and the plant auxiliary load and transmit the information to the Lugo Substation remote port server. Notwithstanding the fact that the RTU equipment at the Ivanpah 3 Project Generating Facility will be located on the Interconnection Customer's side of the Point of Change of Ownership, the RTU will be owned, operated, and maintained by the Participating TO.

**18. Network Upgrades:**

- ~~Stand Alone Network Upgrades: None~~

- ~~Other Network Upgrades:~~

~~(i) Participating TO's Reliability Network Upgrades: None~~

~~(ii) Participating TO's Delivery Network Upgrades:~~

~~— Substations:~~

~~———— (i). Ivanpah Substation~~

~~Install two 220/115kV transformer banks with associated 220kV and 115kV bank positions and one 220kV transmission line (T/L) position to terminate the new Eldorado 220kV T/L.~~

~~———— The Ivanpah Substation expansion to include 220kV facilities requires the installation of the following equipment:~~

- ~~———— a. East and west 220kV buses covering four positions~~
- ~~———— b. One double breaker line position to terminate the Eldorado 220kV T/L~~
- ~~———— c. Two double breaker bank positions~~
- ~~———— d. Two 280MVA 220/115kV transformer bank~~
- ~~———— e. Two double breaker 115kV bank positions~~
- ~~———— f. One double breaker line position to terminate the Ivanpah 3 115kV gen tie line~~

~~———— **NOTE:**~~

~~———— The substation is presently being developed for an ultimate configuration that would include four 280MVA transformer banks, eight 220kV positions arranged in a "Breaker and a Half" configuration (Three breakers for two elements) and fourteen 115kV positions arranged in a "Double Bus – Double Breaker" plus two 115kV bus sectionalizing positions.~~

~~————— In addition, the substation will have enough space to install two 220kV and four 115kV capacitor banks in case the system would require voltage regulation equipment in the future.~~

~~————— The ultimate configuration requires a fenced area of 885 Ft. by 850 Ft. and two 885 Ft. by 400 Ft. areas on each side of the station, for a total area of 1650 Ft. by 885 Ft.~~

~~(ii). **Eldorado Substation**~~

~~Extend the Eldorado 220kV buses two positions to the west and install one 220kV double breaker line position to terminate the new Ivanpah 220kV T/L.~~

~~Remove Eldorado 220/115kV transformer bank and related circuit breaker and associated equipment.~~

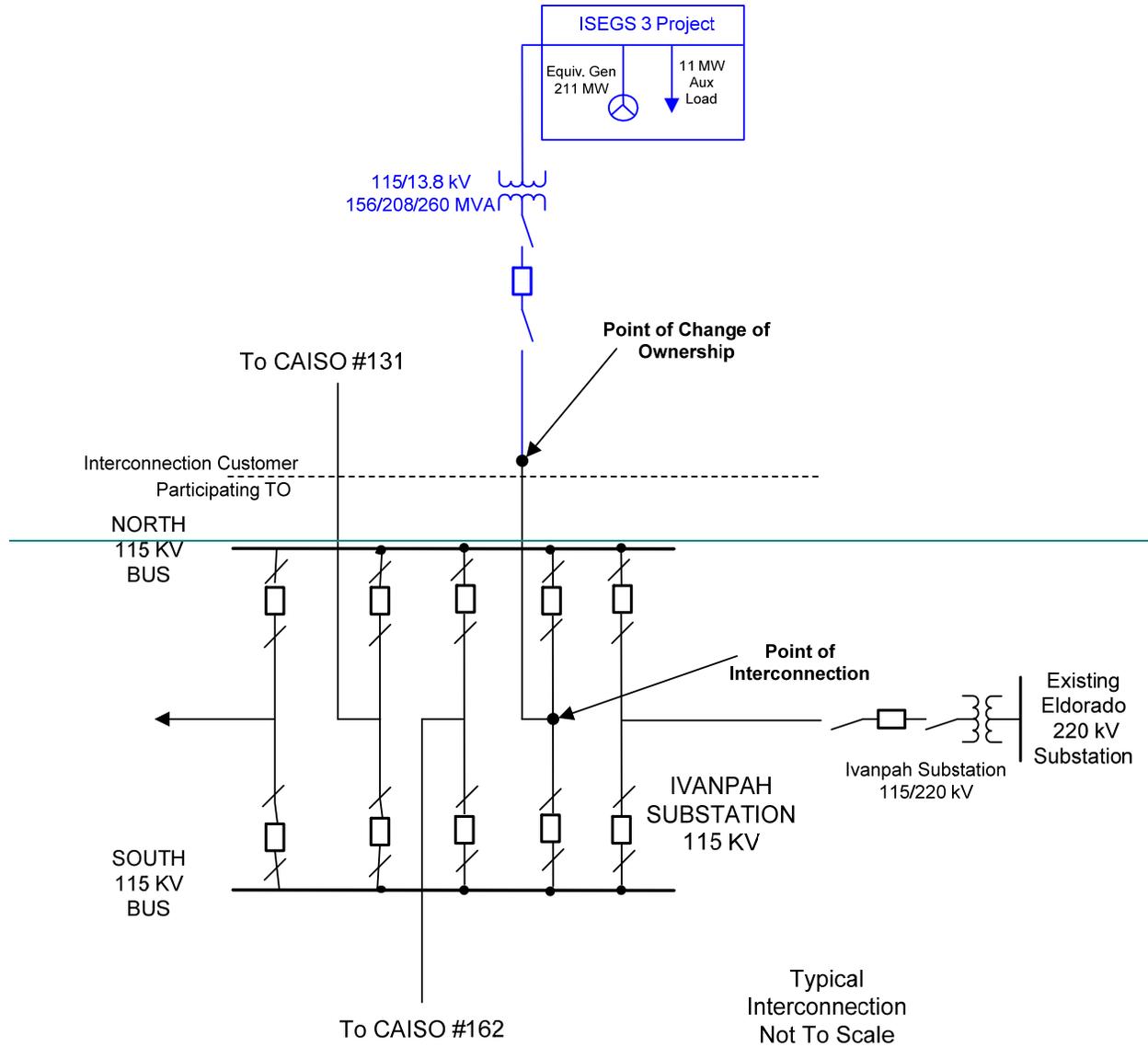
~~**1. Distribution Upgrades:** None.~~

~~**2. Point of Change of Ownership:**~~

~~The Point of Change of Ownership is the north facing insulator, which is owned by the Participating TO, attached to the dead-end structure of the Ivanpah 3 Project 115 kV generation tie-line located outside of the property line boundary at the Ivanpah Substation perimeter fence. The Interconnection Customer owns the dead-end structure, the south facing insulators and conductors from the dead-end structure to the Interconnection Customer's facilities, and the jumpers between the Participating TO's conductor and the Interconnection Customer's conductor.~~

~~**3. Point of Interconnection:** Ivanpah 3 Project's Point of Interconnection with the CAISO Controlled Grid is at the Participating TO's Ivanpah Substation 115-kV bus.~~

**4. One-Line Diagram of Interconnection to Ivanpah Substation:**



- 5. ~~Additional Definitions:~~** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:
- ~~(a) Abandoned Plant Approval:~~** A FERC final order, not subject to rehearing or appeal, granting the Participating TO's request for a declaratory order that the Participating TO can recover 100% of its prudently incurred costs for the EITP if such project is abandoned due to circumstances outside of the Participating TO's control.
  - ~~(b) Accounting Practice:~~** Generally accepted accounting principles and practices applicable to electric utility operations.
  - ~~(c) Capital Additions:~~** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer for such Capital Additions.
  - ~~(d) CPUC:~~** The California Public Utilities Commission, or its regulatory successor.
  - ~~(e) Credit Support:~~** Guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 11.5 of the LGIA.
  - ~~(f) Customer-Financed Monthly Rate:~~** The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is as provided in Section 15 of this Appendix A.

- ~~(g) Deed-To Telecommunications Facilities: The Participating TO's Interconnection Facilities, as specified in Section 1(b)(i)A of this Appendix A constructed by the Interconnection Customer and owned by the Participating TO following transfer of ownership.~~
- ~~(h) Deed-To Telecommunications Facilities Cost: All costs associated with the design, engineering, procurement, construction and installation of the Deed-To Telecommunications Facilities. The Deed-To Telecommunications Facilities Cost is provided in Section 14 of this Appendix A.~~
- ~~(i) Delivery Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades.~~
- ~~(j) Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and associated One-Time Cost. The Delivery Network Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~(k) Eldorado – Ivanpah Transmission Project (EITP): The Participating TO's generation interconnection master plan to connect up to 1,400 MW of renewable generation located near the southern California-Nevada border to the CAISO Controlled Grid. The main project components consist of the following: construction of a new 220/115 kV Ivanpah Substation; replacement of a portion of an existing 115 kV line with an approximately thirty-six mile, double-circuit 220 kV transmission line from the new Ivanpah Substation to the Participating TO's Eldorado Substation near Boulder City, Nevada; upgrade of Eldorado Substation to support the connection of the new transmission lines; and construction of two separate telecommunication pathways and communication equipment to connect the EITP to the Participating TO's existing telecommunications system.~~
- ~~(l) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 15 of this Appendix A.~~
- ~~(m) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.~~
- ~~(n) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating~~

~~TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 14 of this Appendix A.~~

- ~~(o) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost, excluding the Deed To Telecommunication Facilities Cost, and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 16 of this Appendix A.~~
- ~~(p) ITCC: The ITCC is equal to the estimated tax liability described in Article 5.17.4 of the LGIA, and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is described in Section 10 of this Appendix A.~~
- ~~(q) One-Time Cost: All costs determined by the Participating TO to be associated with the installation of the Participating TO's Interconnection Facilities, Delivery Network Upgrades Reliability Network Upgrades or Capital Additions which are not capitalized.~~
- ~~(r) Reliability Network Upgrades Cost: All costs, excluding One-Time Cost, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades.~~
- ~~(s) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and associated One-Time Cost. The Reliability Network Upgrades Payment is provided in Section 16 of this Appendix A.~~
- ~~(t) Removal Cost: The cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.~~
- ~~(u) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.~~
- ~~(v) Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, and as such list may be amended from time to time.~~

~~**6. Transmission Credits:** No transmission credits are applicable since this LGIA assumes that the Participating TO will up-front finance the EITP components that~~

are required and are triggered by the Ivanpah 3 Project as well as other projects listed at Queue Positions 131 and 162, respectively, in the CAISO Controlled Grid Generation Queue which are identified in this document as CAISO No.131 and 162.

**7. Security Amount for the Participating TO's Interconnection Facilities and Network Upgrades:** Pursuant to Article 11.5 and Appendix B of the LGIA, the Interconnection Customer shall provide Credit Support in the amount of \$1,119,000 to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities, excluding the Deed-To Telecommunications Facilities.

If the Participating TO does not receive Abandoned Plant Approval, the Interconnection Customer shall provide additional Credit Support for the costs of constructing, procuring and installing the Network Upgrades identified in Section 2 and Section 17 of this Appendix A, in an amount to be reflected in an amendment to this LGIA. The disposition of any released Credit Support shall be directed by the Interconnection Customer.

**8. Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability is as follows:

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

$\text{Estimated tax liability} = 35\% * \text{Interconnection Facilities Cost} = 35\% * \$1,119,000 = \$391,650$

Based upon the estimated tax liability, the Interconnection Customer shall provide the Participating TO cash or a letter of credit in the amount of \$391,650, pursuant to Article 5.17.3 and Appendix B of the LGIA.

The amount specified herein shall be revised to include the security amount for the Deed-To Telecommunications Facilities pursuant to an amendment to the LGIA subject to FERC's acceptance or approval.

**9. Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of the LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection

~~Customer shall pay the Removal Cost. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

#### **10. Charges:**

- ~~(a) The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Interconnection Facilities Payment; (iii) Reliability Network Upgrades Payment; (iv) Interconnection Facilities Charge; (v) payments for any Capital Additions; (vi) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (vii) Removal Cost pursuant to Article 2.4.3 of the LGIA and Section 11 of this Appendix A; (viii) termination charges pursuant to Article 2.4 of the LGIA, provided that such charges shall not be applicable to the extent the costs associated with termination of the LGIA are subject to Abandoned Plant Approval received by the Participating TO; and (ix) disconnection costs pursuant to Article 2.5 of the LGIA.~~
- ~~(b) The Delivery Network Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Cost, and Removal Cost shall be compiled in accordance with Accounting Practice.~~
- ~~(c) If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder shall be adjusted as appropriate to reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

~~The following Sections 12(d) through 12(h) shall be applicable only in the event that the Ivanpah 3 Project precedes CAISO No. 131 and CAISO No. 162.~~

- ~~(d) The network upgrades and distribution upgrades specified in Section 2 and Section 17 of this Appendix A comprise part of the EITP. The Participating TO will up-front finance the network components of EITP, including those Network Upgrades specified in Section 2 and Section 17 of this Appendix A, contingent upon satisfactory receipt, as determined by the Participating TO, of the following:~~
- ~~(i) Abandoned Plant Approval.~~
  - ~~(ii) Continued achievement of development milestones by the Interconnection Customer, as described herein and in Table 1 below:~~
    - ~~A. At the time the Participating TO receives Abandoned Plant Approval, the Interconnection Customer must have secured Site Control, as defined in the CAISO Tariff Appendix A Master Definitions Supplement, for the Ivanpah 3 Project.~~

- ~~B. Prior to the Participating TO commencing final engineering and design of the Network Upgrades specified in Section 2 and Section 17 of this Appendix A and the applicable Participating TO's Interconnection Facilities, the Interconnection Customer must have secured all required permits for the Ivanpah 3 Project.~~
- ~~C. Prior to the Participating TO mobilizing its procurement and construction contractor and commencing construction of the Network Upgrades specified in Section 2 and Section 17 of this Appendix A and the Participating TO's Interconnection Facilities, Interconnection Customer must have secured development financing for the Ivanpah 3 Project.~~
- ~~D. Prior to Participating TO constructing facilities to provide 115 kV backfeed power, Interconnection Customer must have constructed its generation tie line to the Ivanpah Substation.~~

### **~~Participating TO Transmission Development and Interconnection Customer Generation Development Milestones and Decision Points~~**

~~The Parties acknowledge that the Interconnection Customer's original requested In-Service Date of 2012 is not feasible due to the transmission upgrades necessary to accommodate the full amount of electrical output listed in the Interconnection Request. The Interconnection Customer has requested that the Participating TO complete the necessary upgrades to support the Interconnection Customer's revised in-service date of the Ivanpah 3 Project to third quarter 2012. The Participating TO has filed an application for a Certificate of Public Convenience and Necessity ("CPCN") with the CPUC for the EITP. The Participating TO's EITP schedule published in its CPCN application currently shows an in-service date of mid 2013. The Parties, however, acknowledge that if certain key regulatory approvals are obtained earlier than the dates in the 2013 schedule, and the Participating TO elects to perform some of its engineering and permitting tasks in parallel, it is feasible for EITP to achieve a third quarter 2012 in-service date. The Participating TO has agreed to use Reasonable Efforts to achieve the Interconnection Customer's requested In-Service Date. The Participating TO has also agreed to up-front finance the Network Upgrades specified in Section 2 and Section 17 of this Appendix A under the terms specified in this Section 12(d) and move forward on the faster schedule subject to the Interconnection Customer also moving forward on its schedule and achieving certain milestones as identified in Table 1 below. The Parties have agreed that it is prudent to remain in synch with respect to the schedule of EITP and the Ivanpah 3 Project so that neither the Participating TO nor the Interconnection Customer is way ahead or lags the other. The Parties agree to use Reasonable Efforts to achieve a third quarter 2012 in-service date for EITP to support the Interconnection Customer's planned initial synchronization on that same date. Each Party will make Reasonable Efforts to support the other Party's key regulatory processes and filings to support the desired third quarter 2012 EITP in-service date and Ivanpah 3 Project's Initial Synchronization Date.~~

**Table 1: Participating TO and Interconnection Customer Milestones and Decision Points**

<b>Group 1 Milestones and Decision Point #1</b>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
			Interconnection Customer secures final Site Control	
Participating TO executes LGIA with Interconnection Customer and CAISO for Ivanpah 3 Project			Interconnection Customer executes LGIA with Participating TO and CAISO for Ivanpah 3 Project	
Participating TO receives Abandoned Plant Approval <sup>(4)</sup>				
<p>DECISION POINT #1: Following completion of all Group 1 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 1 milestones. Parties exercise options as outlined in Table 2</p>				
<b>Group 2 Milestones and Decision Point #2</b>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
Participating TO receives draft environmental impact report/environmental impact statement from the CPUC for EITP <sup>(4)</sup>			Interconnection Customer secures CEC affirmative decision and Bureau of Land Management (BLM) Record of Decision (ROD) granting right-of-way (ROW) for Ivanpah 3 Project Generating Facility and common area <sup>(2)</sup> at a minimum <sup>(3)</sup>	
<p>DECISION POINT #2: Following completion of all Group 2 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 2 milestones. Parties exercise options as outlined in Table 2</p>				

<b>Group 3 Milestones and Decision Point #3</b>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
Participating TO commences final design and engineering of transmission line and substation			Interconnection Customer selects Engineering-Procurement-Construction (EPC) contractor	
Participating TO receives all required licenses/permits, including CPCN from CPUC, certificate from Nevada Public Utilities Commission, and ROD/ROW decision from BLM <sup>(4)</sup>			Interconnection Customer secures financing to construct Ivanpah 3 Project	
Participating TO begins to procure long-lead time items <sup>(4)</sup>				
<p><b>DECISION POINT #3:</b> Following completion of all Group 3 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 3 milestones.—Parties exercise options as outlined in Table 2</p>				
<b>Group 4 Milestones and Decision Point #4</b>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
Participating TO selects and mobilizes procurement and construction contractor <sup>(6)</sup>			Interconnection Customer mobilizes EPC contractor <sup>(6)</sup>	
Participating TO completes 33kV construction power service connection to serve construction power			Interconnection Customer commences construction of Ivanpah 3 Project, including site prep/grading for Ivanpah Substation site	
<p><b>DECISION POINT #4:</b> Following completion of all Group 4 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 4 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion.—Parties exercise options as outlined in Table 2</p>				

<b>Group 5 Milestones and Decision Point #5</b>				
<b>Participating TO Milestone</b>			<b>Interconnection Customer Milestone</b>	
Participating TO commences construction of EITP transmission line facilities and telecommunication facilities			Interconnection Customer commences construction of power tower(s), heliostat field, boiler and power block for Ivanpah 3 Project	
Participating TO commences construction of Ivanpah Substation <sup>(7)</sup>				
DECISION POINT #5: Following completion of all Group 5 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 5 milestones within thirty (30) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2				
<b>Group 6 Milestones and Decision Point #6</b>				
<b>Participating TO Milestone</b>		<b>Comments</b>	<b>Interconnection Customer Milestone</b>	<b>Comments</b>
Participating TO energizes EITP upgrades, enabling Commercial Operation of Ivanpah 3 Project			Initial parallel connection of Ivanpah 3 Project synchronized to Participating TO grid for testing	
			Commercial Operation of Ivanpah 3 Project	
DECISION POINT #6: Following completion of all Group 6 milestones by the Participating TO, the Interconnection Customer must demonstrate that it has completed all of its Group 6 milestones within sixty (60) Calendar Days of the Participating TO notifying the Interconnection Customer of such completion. Parties exercise options as outlined in Table 2				

Footnotes:

1. Outside the control of the Participating TO
2. The common areas include the following items: the administrative/maintenance building complex; the main fire, water and raw water pumps; and miscellaneous yard lighting in such common area
3. Outside the control of the Interconnection Customer
4. May occur prior to Decision Point #1 for certain items
5. Linked to item outside the control of the Participating TO
6. Linked to item outside the control of the Interconnection Customer
7. Subject to prior completion of grading for Ivanpah Substation by the Interconnection Customer

**Table 2: Actions by the Parties at each Decision Point:**

*Table 2A- Participating TO General Option: At each Decision Point, the Participating TO has the following options:*

At each Decision Point as outlined in Table 1 above, if the Interconnection Customer is current in meeting its milestones (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO shall confirm its commitment to finance Network Upgrades identified in Section 2 and Section 17 of this Appendix A.

If the Interconnection Customer is not current in meeting its milestones as outlined in Table 1 (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B below), the Participating TO has the following additional options:

- 1) Confirm its commitment to finance Network Upgrades (but have no obligation to do so)
- 2) Discontinue its commitment to finance Network Upgrades, in which case Network Upgrades may then be financed by the Interconnection Customer subject to Section 12 of Appendix A.
- 3) Terminate the LGIA, subject to termination provisions in the LGIA
- 4) Other actions mutually agreeable to both parties

*Table 2B — Interconnection Customer General Option: At each Decision Point, the Interconnection Customer has the following options:*

At each Decision Point as outlined in Table 1 above, if the Participating TO is current in meeting its milestones, the Interconnection Customer shall confirm its commitment to develop its Generating Facility.

If the Participating TO is not current in meeting its milestones as outlined in Table 1, the Interconnection Customer has the following additional options:

- 1) Continue to develop its Generation Facility (but have no obligation to do so)
- 2) Adjust its development milestones, day-for-day, as appropriate, to the Participating TO's new timetable(s)
- 3) Terminate the LGIA, subject to termination provisions in the LGIA
- 4) Other actions mutually agreeable to both parties

Upon reaching each Decision Point described in Table 1 above, the parties have the ability to exercise the options described in Table 2. At such time, a window of fifteen (15) Calendar Days shall open and each Party shall have fifteen (15) Calendar Days to notify the other Party of what, if any, option it has elected to take. The parties may extend this window by mutual agreement and may exercise option 4 as well. If a Party does not exercise any option during the fifteen (15) Calendar Day window then it shall be deemed to have elected option 1.

The termination provisions provided in option 3 of Table 2A and Table 2B above are an addition to, and not a replacement for, the termination provisions specified in Article 2.3 of this LGIA.

In case of a conflict in terms contained in this Section 12(d) and the terms in the CAISO Tariff or the LGIA Articles, the terms of the CAISO Tariff and the LGIA Articles, shall apply.

- (e) ~~In the event that the Participating TO does not receive Abandoned Plant Approval, this LGIA shall be amended such that the Interconnection Customer shall be responsible for the costs of the Network Upgrades, subject to FERC's acceptance or approval.~~
- (f) ~~The determination of whether the Interconnection Customer has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Participating TO. The determination of whether the Participating TO has met its milestones outlined in Table 1 under Section 12(d) above shall be at the sole discretion of the Interconnection Customer. If there is a dispute as to whether the Interconnection Customer or Participating TO has met a milestone required in Table 1 under Section 12(d) above, such dispute shall be resolved pursuant to Article 27 of the LGIA.~~
- (g) ~~If the Interconnection Customer does not meet any one of the milestones specified in Table 1 under Section 12(d) above (as milestones may be adjusted due to the Interconnection Customer exercising option 2 in Table 2B above), this failure shall be considered a Breach of this LGIA, subject to the Default and Right to Terminate provisions under Article 17 of this LGIA. The Participating TO shall have the option either to stop work on the EITP until the Breach has been cured or to amend this LGIA to require the Interconnection Customer to begin up front financing the cost of the Network Upgrades if such Breach has not been cured by the Interconnection Customer.~~
- (h) ~~Each Party shall provide the other Party a monthly status report, including all supporting documentation, to verify its progress on the milestones outlined in Table 1 under Section 12(d) above.~~
- (i) ~~**Supplemental Billing and Payment Provisions:**~~
  - (4) ~~Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Interconnection Facilities Payment, and Reliability Network Upgrades Payment.~~

~~(5) Pursuant to Article 10.5 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 14 of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.~~

~~(6) In accordance with Article 5.19.3 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.~~

~~**5.16.1** — For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.~~

~~**5.16.2** — Except as provided in Section 7(c), if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.~~

~~**5.16.3** — Except as provided in Section 7(c), if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.~~

~~**5.17** — As soon as reasonably practicable, but within twelve (12) months after the in-service date of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions to the Interconnection Customer, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by~~

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

~~**5.18**—If, in accordance with the removal of the Participating TO's Interconnection Facilities specified in Section 11 above, the Participating TO decides to physically remove the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost in accordance with Article 2.4.3 of the LGIA. Such billing shall initially be based on the Participating TO's estimate of the Removal Cost. Within twelve (12) months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the actual Removal Cost and provide the Interconnection Customer with a final invoice. The Participating TO shall refund to the Interconnection Customer any amount by which the payment by the Interconnection Customer for the estimated Removal Cost exceeds the actual Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice; or, in the event the actual Removal Cost exceeds the Interconnection Customer's payment for the estimated Removal Cost, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual Removal Cost exceeds the payment by the Interconnection Customer for the estimated Removal Cost within thirty (30) Calendar Days of the issuance of such final invoice.~~

~~**5.19**—The Interconnection Customer shall reimburse the Participating TO for all fees and charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Participating TO attributable to the service provided under the LGIA, or any amendments thereto. The Participating TO will render bills to the Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges are expected to be imposed on the Participating TO that are attributable to the service provided under the LGIA.~~

### 15. Interconnection Facilities, Reliability Network Upgrades and Delivery Network Upgrades Cost Summary:

(a) Estimated Cost:

Element	Interconnection Facilities Cost	Interconnection Customer's Maximum Network Upgrade Cost Responsibility**	Participating TO's Delivery Network Upgrades Cost	Participating TO's Reliability Network Upgrades Cost	Participating TO's Total Network Upgrade Costs Only
<b>Estimated costs of the Participating TO's Network Upgrades</b>					
EITP 220kV T/L - double circuit		\$136,000,000	\$198,528,000		\$198,528,000
EITP 115kV T/L - 115kV Connections to first & last 220kV structures			\$844,000		\$844,000
EITP 115kV T/L - Removal of existing transmission line		\$3,150,000	\$2,883,000		\$2,883,000
Eldorado Substation - Replacement of 220/115kV transformer bank			\$5,650,000		\$5,650,000
Corporate Real Estate activities related to EITP 220kV T/L Right of Way		\$10,200,000	\$7,771,000		\$7,771,000
Licensing and Permitting activities related to EITP 220kV T/L Right of Way		\$6,900,000	\$10,252,000		\$10,252,000
Eldorado - Lugo 500kV T/L - Replace one OHGW with OPGW				\$25,269,000	\$25,269,000
Ivanpah Substation - 115 kV Switchyard				\$19,125,000	\$19,125,000
Cool Water G.S. 115kV Switchyard - Line protection upgrades				\$588,000	\$588,000
Eldorado Substation - Line protection upgrades				\$588,000	\$588,000
Mountain Pass Substation - Line protection upgrades				\$588,000	\$588,000
Facilities for SPS				\$7,692,000	\$7,692,000
RTU at Ivanpah Substation				\$73,000	\$73,000

Corporate Real Estate activities related to Ivanpah Substation and new fiber optic lines				\$487,000	\$487,000
Eldorado B-CW-DS-Mountain Pass 115kV T/L — Loop into Ivanpah Substation				\$804,000	\$804,000
Ivanpah Substation — Two 220/115kV transformer banks and 220kV Switchyard		\$30,332,000			
Eldorado Substation — 220kV bus extension and new double breaker line position		\$3,998,000			
<b>Total</b>		\$190,580,000	\$225,928,000	\$55,214,000	\$281,142,000
CAISO No.131 cost allocation		(\$44,500,000)			
CAISO No.162 cost allocation		(\$18,600,000)			
<b>Total</b>		\$127,480,000			
<b>Participating TO's Interconnection Facilities — SCE Work:</b>					
Ivanpah 3 — Ivanpah 115 kV generation tie line	\$207,000		-		
Ivanpah Substation — 115 kV Switchyard	315,000		-		
Telecommunications — SCE Work	481,000		-		
Power System Control — RTU at Generating Facility	116,000		-		
<b>Subtotal</b>	<b>\$1,119,000</b>		-		
<b>Participating TO's Interconnection Facilities — Interconnection Customer's Work:</b>					
Deed-To Telecommunications Facilities	[TBD]*				
<b>Subtotal</b>	<b>[TBD]*</b>		-		
<b>Total</b>	<b>[TBD]*</b>		-		

\* Cost to be provided later in an amendment to the LGIA, subject to FERC's acceptance or approval.

\*\*Interconnection Customer's cost responsibility for Network Upgrades (reliability and delivery) specified in Section 2 and Section 17 of this Appendix A is based on Participating TO's total cost of delivery and reliability network upgrades shown in the Interconnection Facilities Study Final Report, dated April 5, 2010.

Network Upgrades cost listed in the table above are being funded by the Participating TO since the Participating TO is exercising its option, pursuant to Article 11.3 of the LGIA, to fund the costs of these Network Upgrades provided that the requirements specified in Section 12(d) have been met.



<b>Effective Date</b>	<b>Customer-Financed Monthly Rate</b>	<b>Estimated</b>		<b>Actual</b>	
		<b>Interconnection Facilities Cost*</b>	<b>Interconnection Facilities Charge*</b>	<b>Interconnection Facilities Cost*</b>	<b>Interconnection Facilities Charge*</b>
As of the Interconnection Facilities Completion Date*	0.38%	\$1,119,000	\$4,252.20	{to be inserted after true-up}	{to be inserted after true-up}

\* The Interconnection Facilities Cost and Interconnection Facilities Charge do not include the Deed To Telecommunications Facilities which will be added, by an amendment to this LGIA, when they have been determined.

• **Estimate of Monthly Incurred Costs for the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades:**

An estimate of the monthly incurred costs to be paid by the Interconnection Customer is as shown.

Note: This estimate assumes that the LGIA has been executed by July 31, 2010.

Payment Period	Interconnection Facilities Cost*, excluding the Deed-To Telecommunications Cost	Reliability Network Upgrades Cost	Delivery Network Upgrades Cost	One-Time Cost	Total*	Due Date
1	\$10,000				\$10,000	01/1/2011
2	\$10,000				\$10,000	02/1/2011
3	\$10,000				\$10,000	03/1/2011
4	\$20,000				\$20,000	04/1/2011
5	\$20,000				\$20,000	05/1/2011
6	\$20,000				\$20,000	06/1/2011
7	\$30,000				\$30,000	07/1/2011
8	\$30,000				\$30,000	08/1/2011
9	\$30,000				\$30,000	09/1/2011
10	\$40,000				\$40,000	10/1/2011
11	\$60,000				\$60,000	11/1/2011
12	\$70,000				\$70,000	12/1/2011
13	\$70,000				\$70,000	01/1/2012
14	-\$70,000				\$70,000	02/1/2012
15	-\$70,000				\$70,000	03/1/2012
16	-\$70,000				\$70,000	04/1/2012
17	-\$70,000				\$70,000	05/1/2012
18	-\$70,000				\$70,000	06/1/2012
19	-\$60,000				\$60,000	07/1/2012
20	-\$60,000				\$60,000	08/1/2012
21	-\$60,000				\$60,000	09/1/2012
22	-\$60,000				\$60,000	10/1/2012
23	\$60,000				\$60,000	11/1/2012
24	\$49,000				\$49,000	12/1/2012
<b>—Total</b>	<b>\$1,119,000</b>		-		<b>\$1,119,000</b>	

~~Delivery Network Upgrades Payment = (Delivery Network Upgrades Cost + associated One-Time Cost) = \$0~~

~~Interconnection Facilities Payment = (Interconnection Facilities Cost, excluding the Deed-To Telecommunications Cost + associated One-Time Cost) = \$1,119,000~~

~~Reliability Network Upgrades Payment = (Reliability Network Upgrades Cost + associated One-Time Cost) = \$0~~

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## ~~A—Other Potential Facilities:~~

~~The Interconnection Customer understands and acknowledges that the Interconnection of the Ivanpah 3 Project is dependent upon the completion of the following network and distribution upgrades that comprise the EITP. Furthermore, the Interconnection Customer may also be responsible for the cost of the following facilities and any additional facilities or modifications to the Participating TO's electric system required to interconnect the Ivanpah 3 Project as a result of the termination or amendment of another project's interconnection agreement, unless such facilities are modified in accordance with Section 19 of this Appendix A. The Interconnection Customer's revised cost responsibility for the network upgrades, and for any such additional facilities or modifications, if any, would be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval.~~

## ~~—Transmission Lines:~~

### ~~—Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115kV Line – Line Removal~~

- ~~—Remove approximately thirty-six miles of existing line between Eldorado Substation and the new Ivanpah Substation to provide space for the construction of the new Eldorado – Ivanpah No.1 and No. 2 220kV transmission lines.~~

### ~~B. Eldorado – Ivanpah No. 1 220 kV Transmission Line (Initially Energized at 115 kV)~~

- ~~—Install approximately thirty-six miles of new double-circuit 220-kV transmission line, initially energized at 115 kV, equipped with 2-1590 kcmil ACSR conductors on one side of the structure. The line will be equipped with OPGW to provide the second telecommunication path required for the SPS and other telecommunication requirements applicable to the Ivanpah Substation.~~

### ~~C. Eldorado – Ivanpah 115 kV Transmission Line – 115 kV Connections to First and Last 220 kV Structures~~

- ~~—Install a new section of 115 kV line from the Ivanpah 115 kV switchyard to the first 220 kV structure closest to the Ivanpah switchyard placed on the existing 115 kV right-of-way using 336.4 kcmil ACSR conductors to connect the new 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.  
Cut the existing line at the Eldorado Substation end and connect the existing 336.4 kcmil ACSR conductors to the last 220 kV structure closest to Eldorado Substation to connect the existing 115 kV line section to the new 220 kV transmission line initially energized at 115 kV.~~

### ~~D. Eldorado – Lugo 500 kV Transmission Line~~

Replace one of the two overhead ground wires (OHGW) with new optical ground wire (OPGW) on the first 30 circuit miles of line from Eldorado Substation to a structure near the town of Nipton. This transmission upgrade is required to provide a segment for one of the telecommunication channels from Eldorado Substation to the new Nipton microwave site. Participating TO may install a functional alternative to this telecommunication path if an economic and feasible alternative is determined to be available.

#### **E. ~~Eldorado – Ivanpah 115 kV Transmission Line – Line Loop~~**

~~Loop the existing line into Ivanpah Substation and form the two new Ivanpah – Baker – Cool Water – Dunn Siding – Mountain Pass and Eldorado – Ivanpah 115-kV Lines.~~

#### **~~Substations:~~**

##### **~~Ivanpah Substation – 115 kV Initial Configuration~~**

~~Install the initial configuration of a new 1120 MVA, 220/115 kV substation consisting of the section of 115 kV switchyard with three double-breaker line positions to loop the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line in and out of the station.~~

~~The initial configuration will also include the site preparation, perimeter fences, control cable trenches and paved driveways for the complete 885-foot by 850-foot area required for the ultimate configuration plus the installation of the mechanical electrical equipment room (MEER) and a microwave antenna tower.~~

##### **~~Cool Water Generating Station 115 kV Switchyard – Line Protection Upgrades~~**

~~Upgrade the line protection relays on the existing Eldorado – Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah – Baker – Dunn Siding – Mountain Pass 115 kV Line.~~

##### **~~Eldorado Substation – Line Protection Upgrades~~**

~~Upgrade the line protection relays on the existing Baker – Cool Water – Dunn Siding – Mountain Pass 115 kV line, which will become the Ivanpah 115 kV line.~~

##### **~~Eldorado Substation – Transformer Upgrade~~**

~~Replace the existing 108 MVA, 220/115 kV transformer bank with a new 280 MVA transformer.~~

##### **~~Mountain Pass Substation – Line Protection Upgrades~~**

~~Upgrade the line protection relays on the existing Eldorado—Baker—Cool Water—Dunn Siding 115 kV line, which will become the Ivanpah—Baker—Cool Water—Dunn Siding 115 kV Line.~~

#### ~~Telecommunications:~~

##### ~~Special Protection Schemes~~

~~Install terminal equipment at Ivanpah Substation to support the SPS-1 and SPS-2 relays.~~

~~Install new all-dielectric self-supporting (ADSS) fiber optic cable on new poles and a segment of underground fiber optic cable from the Eldorado—Lugo 500 kV structure located near the town of Nipton to the new Nipton microwave repeater site.~~

~~Install a new microwave path between the new Nipton microwave repeater site and Ivanpah Substation.~~

~~Install approximately seven miles of new ADSS fiber optic cable on existing 33 kV poles from Ivanpah Substation to Mountain Pass Substation.~~

~~Install approximately one mile of new ADSS fiber optic cable on the existing Nipton 33 kV circuit poles from Mountain Pass Substation to the Mountain Pass AT&T communications site.~~

~~Also install interface terminal equipment at all locations addressed above plus new signal amplifying equipment at Mountain Pass Substation.~~

#### ~~Power System Control:~~

##### ~~RTU—Ivanpah Substation~~

~~Install one RTU at Ivanpah Substation to monitor the 115 kV line elements.~~

#### ~~Corporate Real Estate:~~

##### ~~Ivanpah Substation and Fiber Optic Cables~~

~~Perform all activities related to survey, mapping and land acquisition as required to install the new Ivanpah Substation and all new fiber optic cables.~~

##### ~~Eldorado—Ivanpah 220 kV Transmission Lines~~

~~Perform all activities related to the licensing and permitting process for the new Eldorado—Ivanpah No. 1 and No. 2 220 kV transmission lines.~~

— **Licensing and Permitting:**

**Eldorado— Ivanpah 220 kV Transmission Lines**

Perform all activities related to the licensing and permitting process for the new Eldorado— Ivanpah No. 1 and No. 2 220 kV transmission lines.

— **Distribution Line:**

Route a section of the existing Nipton 33 kV distribution circuit out of Mountain Pass Substation into Ivanpah Substation to provide a source of substation light and power.

Element	Interconnection Customer's Maximum Cost Responsibility
EITP 115kV T/L— Removal of existing transmission line	\$3,150,000
Eldorado Substation— Replacement of 220/115kV transformer bank	\$5,650,000
Corporate Real Estate activities related to EITP 220kV T/L Right of Way	\$10,200,000
Licensing and Permitting activities related to EITP 220kV T/L Right of Way	\$6,900,000
Eldorado— Lugo 500kV T/L— Replace one OHGW with OPGW	\$25,400,000
Ivanpah Substation— 115 kV Switchyard	\$19,125,000
Cool Water G.S. 115kV Switchyard— Line protection upgrades	\$588,000
Eldorado Substation— line protection upgrades	\$588,000
Mountain Pass Substation— line protection upgrades	\$588,000
Facilities for SPS-1 and SPS-2	\$9,260,000
RTU at Ivanpah Substation	\$73,000
Eldorado— Ivanpah 115kV T/L— "Virtual Line"	\$18,600,000
Corporate Real Estate activities related to Ivanpah Substation and new fiber optic lines	\$2,000,000
Eldorado B-CW-DS-Mountain Pass 115kV T/L— Loop into Ivanpah Substation	\$804,000
Total	\$102,926,000

Note: These facilities and costs are not included in Section 14.

**18. Not Used**

**19. Conditions for Modification of Specification of Network Upgrades**

- (a) The Network Upgrades specified in Section 2 and Section 17 of this Appendix A anticipate additional upgrades for other interconnection customers, and are

~~designed to facilitate the possibility of interconnecting additional generation including one interconnection request that has resulted in an executed LGIA between the CAISO, Participating TO and an affiliate of the Interconnection Customer and a second LGIA that is in the process of being finalized between the CAISO, Participating TO and another affiliate of the Interconnection Customer. As such, these Network Upgrades include additional facilities that would not be required solely for the interconnection of the Interconnection Customer's Generating Facility. Accordingly, unless at least one of the conditions specified in Section 19(b) has been satisfied by July 31, 2010, the CAISO may, in its sole discretion, determine that a review of the Network Upgrades specified in Section 2 and Section 17 of this Appendix A is required in order to assess whether and to what extent these Network Upgrades should be modified. If this review indicates that such modification is required, the CAISO shall consult with the Participating TO and Interconnection Customer and shall determine the extent to which the Network Upgrades must be modified to allow the upgrades to be approved by the CAISO for construction, either through any FERC-approved process to promote the development of transmission facilities to facilitate the integration of renewable resources, or through an amendment to this LGIA.~~

- ~~(b) Notwithstanding the provisions in Section 19(a), no modification to the Network Upgrades specified in Section 2 and Section 17 shall be required if: (1) the Participating TO has received a Certificate of Public Convenience and Necessity from the CPUC authorizing the construction of the Network Upgrades identified in Section 2 and Section 17, and has satisfied any conditions in that CPUC authorization requiring further CAISO approval of that construction, as those upgrades are part of the overall Eldorado-Ivanpah Transmission Project; or (2) the Interconnection Customer (or another interconnection customer) has entered into one or more other LGIAs for additional generating facilities sufficient to trigger the need for the construction of the Network Upgrades identified in Section 2 and Section 17, or has requested the CAISO to file such other LGIA(s) unexecuted with FERC in order to resolve any disagreement between the parties thereto.~~
- ~~(c) With respect to Section 19(b), the Parties have agreed that the Large Generator Interconnection Agreements for the Interconnection Customer's affiliates' other two plants planned for interconnection at Ivanpah Substation (CAISO Interconnection Requests Queue #s 131 and 162) along with this LGIA shall be sufficient to meet the condition in Section 19(b)(2). The Parties have also agreed to model those other LGIAs on the approaches taken in this LGIA so that all 3 LGIAs are consistent except for differences that are necessary such as megawatt levels and upgrade cost differences that are unique to the interconnection requests. This principle shall also apply to an unexecuted other LGIA filed with FERC.~~

## Appendix B To LGIA

### Milestones

**1. The Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates:**

<u>Item</u>	<u>Milestone</u>	<u>Responsible Party</u>	<u>Due Date</u>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of this LGIA
(b)	Submittal of written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities** to the Participating TO and CAISO in accordance with Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	<p>Submittal of security for the Participating TO's Interconnection Facilities** to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA.</p> <p>Submittal of security for Participating TO's Network Upgrades to the Participating TO pursuant to Articles 5.5.3, 5.6.4 and 11.5 of the LGIA if Interconnection Customer is required to fund such Network Upgrades</p>	Interconnection Customer	<p>Within thirty (30) Calendar Days of the Effective Date</p> <p>Within thirty (30) Calendar Days of the date that it is determined that Interconnection Customer must fund such Network Upgrades</p>
(d)	Submittal of written authorization to proceed with construction to the Participating TO and the CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submittal of security for the estimated tax liability to the Participating TO pursuant to	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date

	Article 5.17.3 of the LGIA		
(f)	Submittal of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix C	Interconnection Customer	At least thirty (30) Calendar Days prior to start of construction of the Deed-To Telecommunications Facilities
(g)	Review of Construction Documents for the Deed-To Telecommunications Facilities pursuant to Section 3(e) of Appendix C	Participating TO	Within thirty (30) Calendar Days of receipt of Construction Documents
(h)	Completion of the Participating TO's Interconnection Facilities,** Distribution Upgrades and Network Upgrades	Participating TO	Within thirty (30) months following the Effective Date or within 14 months of approval of CPCN, whichever is earlier*
(i)	Submittal of initial specifications for the Interconnection Customer's Interconnection Facilities and the Ivanpah 3 Project, including System Protection Facilities, to the Participating TO and the CAISO pursuant to Article 5.10.1 of the LGIA	Interconnection Customer	At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date
(j)	Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA	Participating TO	At least one hundred eighty (180) Calendar Days prior to Trial Operation
(k)	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation
(l)	Review of and comment on the Interconnection Customer's initial specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's

			submission of initial specifications
(m)	Submittal of final specifications for the Interconnection Customer's Interconnection Facilities and the Ivanpah 3 Project, including System Protection Facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date
(n)	Review of and comment on the Interconnection Customer's final specifications pursuant to Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
(o)	Notification of Balancing Authority Area to the Participating TO and CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date
(p)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
(q)	In-Service Date of Ivanpah 3 Project	Interconnection Customer	9/30/12* Interconnection Customer ("IC") required to provide written request
(r)	Initial Synchronization Date	Interconnection Customer	6/19/13* IC required to provide written request
(s)	Trial Operation period	Interconnection Customer	6/19/13 – 8/5/13*
(t)	Performance of a complete calibration test and functional trip test of the System Protection Facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Commercial Operation Date
(u)	Testing of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades and testing of the Interconnection Customer's	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the Initial Synchronization Date

	<del>Interconnection Facilities and the Ivanpah 3 Project in accordance with Article 6.1 of the LGIA</del>		
(v)	<del>Provide written approval to the Interconnection Customer for the operation of the Ivanpah 3 Project in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>At least fifteen (15) Calendar Days prior to the Initial Synchronization Date</del>
(w)	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>8/5/13* (Requires formal written request for changes to COD)</del>
(x)	<del>Submittal of "as-built" drawings, information and documents for (i) the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO, and (ii) the Deed To Telecommunications Facilities for approval by the Participating TO in accordance with Section 3(l) of Appendix C</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>

~~\* Note: The Interconnection Customer and Participating TO understand and acknowledge that such timeline is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, availability of utility services or other unforeseen events could delay the actual In-Service Date beyond that specified. The Parties shall work diligently and use good faith efforts to meet the milestone due dates listed above and shall keep each other apprised of progress and status on a regular basis.~~

~~\*\* Excludes the Deed To Telecommunications Facilities~~

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period. Upon the Interconnection Customer's request to recommence the work, the Parties shall negotiate in good faith new revised milestone dates for each milestone, taking into account the period of suspension and necessary re-studies, if required. Appendix B and any terms and conditions associated with the estimated costs and payment schedule, if necessary, shall be amended following the establishment of such revised milestone due dates. If the Participating TO materially misses milestone due dates and if Interconnection Customer exercises its option in Table 2B in Appendix A to adjust its dates, then milestones in this Appendix B may be adjusted, if appropriate, so that Interconnection Customer's construction progress remains coordinated with Participating TO's construction progress.~~

~~The Interconnection Customer also understands and agrees that the method of service required to interconnect the project identified as CAISO No. 131 may require re-evaluation due to the suspension of the Ivanpah 3 Project and changes to the Participating TO's electrical system or addition of new generating resources.~~

## Appendix C To LGIA

### Interconnection Details

~~(a) **Generating Facility:** All equipment and facilities comprising the proposed solar-thermal generating facility with a rated output of 211 MW and an auxiliary load of 11 MW for a total net output of 200 MW, located in San Bernardino County, California approximately six miles west of the California/Nevada border, as disclosed by the Interconnection Customer in its Interconnection Request, which consists of four solar-powered steam boilers powering a 200 MW synchronous steam turbine-generator, meters and metering equipment and appurtenant equipment (the “Generating Facility” or the “Ivanpah 3 Project”).~~

~~(b) **Interconnection Customer Operational Requirements:**~~

- ~~(i) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Ivanpah 3 Project and the Interconnection Customer’s Interconnection Facilities in accordance with the CAISO Tariff, the WSCC Reliability Management System Agreement and NERC requirements, including NERC/WECC reliability standards and Applicable Reliability Standards.~~
- ~~(ii) The Ivanpah 3 Project shall be operated so as to prevent against and protect the following adverse conditions on the Participating TO’s electric system: (i) inadvertent and unwanted re-energizing of a utility dead line or bus; (ii) interconnection while out of synchronization; (iii) overcurrent; (iv) voltage imbalance; (v) ground faults; (vi) generated alternating current frequency outside permitted safe limits; (vii) poor power factor or reactive power outside permitted limits; and abnormal waveforms.~~

~~(c) **Interconnection Principles:**~~

- ~~(i) This LGIA provides for interconnection of a total capability of 200 MW, resulting from the interconnection of the Ivanpah 3 Project, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capability provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.~~
- ~~(ii) Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the Ivanpah 3 Project or the Interconnection Customer’s Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such~~

~~facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the Ivanpah 3 Project or the Interconnection Customer's Interconnection Facilities.~~

- ~~(iii) The Interconnection Customer, at its sole expense, shall design, engineer, procure, construct, and install the Deed-To Telecommunications Facilities in accordance with the Participating TO's Specifications.~~
- ~~(iv) Prior to commencing construction of the Deed-To Telecommunications Facilities, the Participating TO shall review the Interconnection Customer's Construction Documents and, if acceptable, approve the design, engineering, and layout of the Deed-To Telecommunications Facilities. Such approval shall not be unreasonably withheld. The review and approval process shall be as follows:
  - ~~i. The Participating TO shall review the Construction Documents and respond to the Interconnection Customer within thirty (30) Calendar Days of receipt of the documents, or as otherwise agreed to by the Parties. If the Participating TO approves the foregoing documents, such approval shall be set forth in writing within that time. However, if the Participating TO concludes the foregoing documents require changes in order to comply with the Participating TO's specifications or Good Utility Practice, or to ensure that the ensuing facilities and upgrades will be compatible with the Participating TO's facilities, the Participating TO will submit a list of required changes within that time. The Interconnection Customer shall have sixty (60) Calendar Days after receipt of the required changes, or as otherwise agreed to in writing by the Parties, to revise the Construction Documents.~~
  - ~~ii. If the Interconnection Customer does not change the Construction Documents to the Participating TO's satisfaction within the time allotted, the Participating TO shall have the option to take over construction of the Deed-To Telecommunications Facilities at the Interconnection Customer's expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~~~
- ~~(v) During construction of the Deed-To Telecommunications Facilities, the Participating TO shall have the right to access the Deed-To Telecommunications Facilities to conduct inspections of such facilities. In the event the Participating TO accesses the construction site, the Participating TO shall adhere to Good Utility Practice.~~
- ~~(vi) If, at any time during construction and until the transfer of ownership of the Deed-To Telecommunications Facilities in accordance with Section 3(i) below, the Participating TO determines that the Deed-To Telecommunications Facilities do not meet the Participating TO's standards and specifications, the following provisions shall apply:~~

- ~~i.—The Participating TO shall provide written notification of the deficiencies to the Interconnection Customer within fifteen (15) Calendar Days after such determination. If the Interconnection Customer does not remedy such deficiencies within sixty (60) Calendar Days of receipt of written notification or as otherwise agreed to in writing by the parties, the Participating TO shall have the option to take over construction of the Deed-To Telecommunications Facilities, including the removal or tearing out of any defective or nonconforming facilities or work and the replacement with acceptable materials or work. Such work performed by the Participating TO shall be at the Interconnection Customer's sole expense. If the Participating TO elects to exercise such option, the LGIA will be amended accordingly, subject to FERC's acceptance or approval.~~
- ~~ii.—If the Participating TO exercises its option to take over construction of the Deed-To Telecommunications Facilities, the Interconnection Customer shall also be required to provide the Participating TO with sole title to the Deed-To Telecommunications Facilities and with required easements within sixty (60) Calendar Days after the Participating TO exercises its option to take over construction, or as otherwise agreed to in writing by the parties. The Participating TO may clear title to the foregoing facilities and upgrades. Such work performed by the Participating TO shall be the Interconnection Customer's sole expense.~~
- ~~(vii) —The Participating TO shall apply, at the Interconnection Customer's sole expense, to obtain any regulatory approvals required to be obtained by the Participating TO for the construction, operation and maintenance of Deed-To Telecommunications Facilities.~~
- ~~(viii) —In preparation for transferring ownership, pursuant to Section 3(i) below, of the Deed-To Telecommunications Facilities, the Interconnection Customer shall complete the following provisions:
  - ~~i.—The Interconnection Customer shall obtain manufacturer's standard warranties for the Deed-To Telecommunications Facilities which are transferable directly to the Participating TO pursuant to the terms of the Title, Transfer, Assignment and Assumption Agreement specified in Section 3(i)(5) below.~~
  - ~~ii.—The Interconnection Customer will warrant that it holds clear title to the foregoing facilities and upgrades, and that such title is free of any liens, claims, charges, security interests or other encumbrances.~~~~
- ~~(ix) Transfer of ownership of the Deed-To Telecommunications Facilities shall take place pursuant to the following schedule:
  - ~~i.—After the completion of construction of the Deed-To Telecommunications Facilities, the Interconnection Customer shall provide written notice of~~~~

- completion (“Notice of Completion”) to the Participating TO within fifteen (15) Calendar Days of completion.
- ii. ~~Upon receiving the Interconnection Customer's Notice of Completion, the Participating TO may request documents and information from the Interconnection Customer in order to establish, to the Participating TO's satisfaction, that the Interconnection Customer holds sole title, free of liens, claims, charges, security interests or other encumbrances, to the Deed-To Telecommunications Facilities. The Interconnection Customer shall have fifteen (15) Calendar Days to provide such documents and information, or as otherwise agreed to in writing by the parties.~~
  - iii. ~~After receiving the Notice of Completion, the Participating TO will perform an inspection and field test to determine whether the Deed-To Telecommunications Facilities meets the Participating TO's Specifications. The inspection and field test shall take place on a mutually agreed date no later than fifteen (15) Calendar Days after the Participating TO receives the Interconnection Customer's Notice of Completion. If the Parties are unable to agree upon a date before the fifteen (15) day period expires, the Participating TO shall have the right to enter the premises to inspect the premises, and conduct field tests on a date of its choosing within the next fifteen (15) Calendar Days, or as otherwise agreed to in writing by the parties. The Participating TO shall provide the Interconnection Customer with written notice five (5) Calendar Days prior to the inspection and testing should this latter course be taken.~~
  - iv. ~~If the Participating TO is satisfied with the results of the foregoing inspection and field test, the Participating TO shall provide written notice of such satisfaction to the Interconnection Customer within fifteen (15) Calendar Days of the completion of the inspection and field test, or as otherwise agreed to in writing by the parties.~~
  - v. ~~Within sixty (60) Calendar Days of the Interconnection Customer's receipt of the written notice of the satisfactory inspection and field test, or as otherwise agreed to in writing by the parties, the parties shall complete the transfer of the Deed-To Telecommunications Facilities from the Interconnection Customer to the Participating TO. Such transfer shall be made pursuant to a separate agreement labeled as “Title, Transfer, Assignment and Assumption Agreement”.~~
  - vi. ~~Except for testing necessary to complete and approve the Deed-To Telecommunications Facilities, the Deed-To Telecommunications Facilities shall not be energized until such facilities and upgrades have been transferred, and any necessary easements have been provided, to the Participating TO. Such testing shall be coordinated and approved by the Participating TO.~~

- ~~(x) Following the transfer of the Deed-To Telecommunications Facilities to the Participating TO, the Participating TO shall own, operate and maintain the Deed-To Telecommunications Facilities.~~
- ~~(xi) The Interconnection Customer shall deliver to the Participating TO “as-built” drawings, information, and any other documents that are required by the Participating TO to assure that the Deed-To Telecommunications Facilities are built to the standards and specifications required by the Participating TO within one hundred twenty (120) Calendar Days after the Commercial Operation Date.~~
- ~~(xii) — The Interconnection and operation of the Ivanpah 3 Project is dependent upon the completion of the EITP network and distribution upgrades identified in Section 2 and Section 17 of this Appendix A.~~

**~~(d) Interconnection Operations:~~**

~~(a) The Interconnection Customer shall cause the Ivanpah 3 Project to comply with any requirements for SPS required to prevent thermal overloads and unstable conditions resulting from outages provided that such requirements are in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. If any new SPS or changes to an existing SPS are required to prevent thermal overloads and unstable conditions resulting from outages, Interconnection Customer shall comply with such requirements in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. Pursuant to Good Utility Practice, the CAISO and Participating TO will provide the Interconnection Customer advance notice of any required SPS and an opportunity to comment on the proposed changed or new SPS. The Participating TO and the CAISO reserve their right to accept or reject Interconnection Customer’s comments and their decision in this respect shall take precedence. The Participating TO and the CAISO shall establish any SPS in accordance with applicable FERC regulations, CAISO Tariff provisions and protocols, NERC and WECC requirements, and pursuant to Good Utility Practice. The Interconnection Customer shall not be responsible for the costs of new SPSs or changes to existing SPSs beyond that identified in Appendix A. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to the LGIA, for loss of generation output when (i) the Ivanpah 3 Project Generating Facility is reduced or tripped off-line due to implementation of an SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. The CAISO and Participating TO shall act with due diligence to resolve and remove all situations that cause or caused implementation of the SPS or could result in reduced delivery of generation output.~~

- ~~— The Interconnection Customer shall cause the Ivanpah 3 Project to participate in CAISO congestion management in accordance with CAISO Tariff and Scheduling Protocols.~~

~~— Following outages of the Interconnection Facilities or the Ivanpah 3 Project, the Interconnection Customer shall not energize the Ivanpah 3 Project in parallel with the Participating TO's system for any reason without specific permission from the Participating TO's and the CAISO's operations personnel, as applicable. Such permission shall not be unreasonably withheld.~~

~~— The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

• ~~**Compliance with Applicable Reliability Standards: The Interconnection**~~

~~Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the Ivanpah 3 Project. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Appendix A of this LGIA.~~

## **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 is a part of the LGIA:  
**[Date]**

~~Mr. Stephen Rutty  
Manager of Grid Assets  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. Robert Kott  
Manager of Model and Contract Implementation  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630~~

~~Mr. William Law  
Manager, Grid Contracts Administration and Billing  
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2244 Walnut Grove Avenue  
Rosemead, California 91770~~

Re: ~~Solar Partners VIII, LLC~~ Ivanpah 3 Project Electric Generating Units

Dear Messrs. Rutty, Kott, and Law:

On **[Date]**, ~~Solar Partners VIII, LLC~~ (~~a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.~~) has completed Trial Operation of Ivanpah 3 Project Unit No. \_\_\_\_\_. This letter confirms that ~~Solar Partners VIII, LLC~~ (~~a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.~~) commenced Commercial Operation of Ivanpah 3 Project Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

cc: Linda Wright

## Appendix F To LGIA

### Addresses for Delivery of Notices and Billings

#### Notices:

##### CAISO:

California ISO  
Ms. Linda Wright  
151 Blue Ravine Rd.  
Folsom, CA 95630

##### Participating TO:

Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
P. O. Box 800  
Rosemead, California 91770

##### Interconnection Customer:

BrightSource Energy-Solar Partners VIII, LLC  
Attn: Doug Buchanan, VP  
US Project Development  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612

Todd Stewart, Director  
Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612

##### Operational Matters, Force Majeure, and Outage Notices:

The Parties agree to exchange the following information prior to the Initial Synchronization Date of the Ivanpah 3 Project.

CALIFORNIA ISO	PARTICIPATING TO – SOUTHERN CALIFORNIA EDISON COMPANY.	INTERCONNECTION CUSTOMER – SOLAR PARTNERS VIII, LLC
ISO Real Time Desk/24 Hour Desk:	Control Center/Switching Center:	IVANPAH 3 Generating Facility
Alternate phone:	24-hour Telephone:	24-hour Telephone:
Email (non-emergency only):	Email (non-emergency only): -	Alternate phone:  Email (non-emergency only):

**For Emergencies:**

~~BrightSource Energy–Solar Partners VIII, LLC  
Attn: Doug Buchanan, VP  
US Project Development  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

~~Todd Stewart, Director  
Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

**Billings and Payments:**Participating TO:

~~Southern California Edison Company  
Accounts Receivable  
P. O. Box 600  
Rosemead, California 91770-0600~~

Interconnection Customer:

~~BrightSource Energy–Solar Partners VIII, LLC  
Attn: Accounts Payable  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612~~

CAISO:

~~California ISO  
Finance Dept.  
Mr. Dennis Estrada  
151 Blue Ravine Rd.  
Folsom, CA 95630~~

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

~~[lwright@caiso.com](mailto:lwright@caiso.com)  
[jbrown@caiso.com](mailto:jbrown@caiso.com)~~

Participating TO:

~~Southern California Edison Company  
Manager, Grid Contracts Administration and Billing  
Tel: (626) 302-9640  
Fax: (626) 302-1152~~

Interconnection Customer:

~~BrightSource Energy Solar Partners VIII, LLC  
Attn: Doug Buchanan, VP  
US Project Development  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
[dbuchanan@brightsourceenergy.com](mailto:dbuchanan@brightsourceenergy.com)~~

~~Todd Stewart, Director  
Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Tel: (510) 550-8908  
Fax: (510) 550-8165  
[tstewart@brightsourceenergy.com](mailto:tstewart@brightsourceenergy.com)~~

**Appendix G  
To LGIA**

**Reliability Management System Agreement**

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT  
by and between  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
and  
SOLAR PARTNERS VIII, LLC (a subsidiary of BrightSource Energy, Inc. as  
successor to Luz II, Inc.)**

~~**THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT** (the "Agreement"), is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between California Independent System Operator Corporation (the "Transmission Operator") and Solar Partners VIII, LLC (a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.) (the "Generator").~~

~~**WHEREAS**, there is a need to maintain the reliability of the interconnected electric systems encompassed by the WSCC in a restructured and competitive electric utility industry;~~

~~**WHEREAS**, with the transition of the electric industry to a more competitive structure, it is desirable to have a uniform set of electric system operating rules within the Western Interconnection, applicable in a fair, comparable and non-discriminatory manner, with which all market participants comply; and~~

~~**WHEREAS**, the members of the WSCC, including the Transmission Operator, have determined that a contractual Reliability Management System provides a reasonable, currently available means of maintaining such reliability.~~

~~**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Transmission Operator and the Generator agree as follows:~~

~~**1. PURPOSE OF AGREEMENT**~~

~~The purpose of this Agreement is to maintain the reliable operation of the Western Interconnection through the Generator's commitment to comply with certain reliability standards.~~

## ~~2. DEFINITIONS~~

~~In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.~~

~~**Control Area** means an electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the Western Interconnection.~~

~~**FERC** means the Federal Energy Regulatory Commission or a successor agency.~~

~~**Member** means any party to the WSCC Agreement.~~

~~**Party** means either the Generator or the Transmission Operator and~~

~~**Parties** means both of the Generator and the Transmission Operator.~~

~~**Reliability Management System** or **RMS** means the contractual reliability management program implemented through the WSCC Reliability Criteria Agreement, the WSCC RMS Agreement, this Agreement, and any similar contractual arrangement.~~

~~**Western Interconnection** means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WSCC operate synchronously connected transmission systems.~~

~~**Working Day** means Monday through Friday except for recognized legal holidays in the state in which any notice is received pursuant to Section 8.~~

~~**WSCC** means the Western Systems Coordinating Council or a successor entity.~~

~~**WSCC Agreement** means the Western Systems Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.~~

~~**WSCC Reliability Criteria Agreement** means the Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its member transmission operators, as such may be amended from time to time.~~

~~**WSCC RMS Agreement** means an agreement between the WSCC and the Transmission Operator requiring the Transmission Operator to comply with the reliability criteria contained in the WSCC Reliability Criteria Agreement.~~

~~WSCC Staff means those employees of the WSCC, including personnel hired by the WSCC on a contract basis, designated as responsible for the administration of the RMS.~~

### ~~3. TERM AND TERMINATION~~

~~3.1 Term. This Agreement shall become effective [thirty (30) days after the date of issuance of a final FERC order accepting this Agreement for filing without requiring any changes to this Agreement unacceptable to either Party. Required changes to this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within fifteen (15) days of issuance of the applicable FERC order that such order is unacceptable.~~

~~3.2 Notice of Termination of WSCC RMS Agreement. The Transmission Operator shall give the Generator notice of any notice of termination of the WSCC RMS Agreement by the WSCC or by the Transmission Operator within fifteen (15) days of receipt by the WSCC or the Transmission Operator of such notice of termination.~~

~~3.3 Termination by the Generator. The Generator may terminate this Agreement as follows:~~

~~(a) following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within forty-five (45) days of the termination of the WSCC RMS Agreement;~~

~~(b) following the effective date of an amendment to the requirements of the WSCC Reliability Criteria Agreement that adversely affects the Generator, provided notice of such termination is given within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Generator for an additional forty-five (45) days if the Generator gives written notice to the Transmission Operator of such requested extension within the initial forty-five (45) day period; or~~

~~(c) for any reason on one year's written notice to the Transmission Operator and the WSCC.~~

~~3.4 Termination by the Transmission Operator. The Transmission Operator may terminate this Agreement on thirty (30) days' written notice following the termination of the WSCC RMS Agreement for any reason by the WSCC or by the Transmission Operator, provided such notice is provided within thirty (30) days of the termination of the WSCC RMS Agreement.~~

~~3.5 Mutual Agreement. This Agreement may be terminated at any time by the mutual agreement of the Transmission Operator and the Generator.~~

### ~~4. COMPLIANCE WITH AND AMENDMENT OF WSCC RELIABILITY CRITERIA~~

~~4.1 Compliance with Reliability Criteria. The Generator agrees to comply with the requirements of the WSCC Reliability Criteria Agreement, including the applicable~~

~~WSCC reliability criteria contained in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Each and all of the provisions of the WSCC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein, and the Generator shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WSCC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.~~

~~**4.2 Modifications to WSCC Reliability Criteria Agreement.** The Transmission Operator shall notify the Generator within fifteen (15) days of the receipt of notice from the WSCC of the initiation of any WSCC process to modify the WSCC Reliability Criteria Agreement. The WSCC RMS Agreement specifies that such process shall comply with the procedures, rules, and regulations then applicable to the WSCC for modifications to reliability criteria.~~

~~**4.3 Notice of Modifications to WSCC Reliability Criteria Agreement.** If, following the process specified in Section 4.2, any modification to the WSCC Reliability Criteria Agreement is to take effect, the Transmission Operator shall provide notice to the Generator at least forty five (45) days before such modification is scheduled to take effect.~~

~~**4.4 Effective Date.** Any modification to the WSCC Reliability Criteria Agreement shall take effect on the date specified by FERC in an order accepting such modification for filing.~~

~~**4.5 Transfer of Control or Sale of Generation Facilities.** In any sale or transfer of control of any generation facilities subject to this Agreement, the Generator shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Generator with respect to this Agreement or to enter into an agreement with the Control Area Operator in substantially the form of this Agreement.~~

## ~~5. SANCTIONS~~

~~**5.1 Payment of Monetary Sanctions.** The Generator shall be responsible for payment directly to the WSCC of any monetary sanction assessed against the Generator pursuant to this Agreement and the WSCC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WSCC Reliability Criteria Agreement.~~

~~**5.2 Publication.** The Generator consents to the release by the WSCC of information related to the Generator's compliance with this Agreement only in accordance with the WSCC Reliability Criteria Agreement.~~

~~**5.3 Reserved Rights.** Nothing in the RMS or the WSCC Reliability Criteria Agreement shall affect the right of the Transmission Operator, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, which the Transmission Operator may otherwise be entitled to take.~~

## ~~6. THIRD PARTIES~~

~~Except for the rights and obligations between the WSCC and Generator specified in Sections 4 and 5, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WSCC: (1) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (2) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary with respect to Sections 4 and 5, of the WSCC against Generator, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Operator and Generator expressly intend that the WSCC is a third-party beneficiary to this Agreement, and the WSCC shall have the right to seek to enforce against Generator any provisions of Sections 4 and 5, provided that specific performance shall be the sole remedy available to the WSCC pursuant to this Agreement, and Generator shall not be liable to the WSCC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WSCC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.~~

## ~~7. REGULATORY APPROVALS~~

~~This Agreement shall be filed with FERC by the Transmission Operator under Section 205 of the Federal Power Act. In such filing, the Transmission Operator shall request that FERC accept this Agreement for filing without modification to become effective on the day after the date of a FERC order accepting this Agreement for filing. [This section shall be omitted for agreements not subject to FERC jurisdiction.]~~

## ~~8. NOTICES~~

~~Any notice, demand or request required or authorized by this Agreement to be given in writing to a Party shall be delivered by hand, courier or overnight delivery service, mailed by certified mail (return receipt requested) postage prepaid, faxed, or delivered by mutually agreed electronic means to such Party at the following address:~~

~~Transmission Operator:—  
California ISO  
Ms. Roni Reese  
151 Blue Ravine Road  
Folsom, CA 95630  
Phone: (916) 608-7027  
Fax: (916) 608-7292~~

~~Generator:—  
BrightSource Energy—Solar Partners VIII, LLC  
Attn: Doug Buchanan, VP  
US Project Development  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Phone: (510) 550-8908  
Fax: (510) 550-8165~~

~~Todd Stewart, Director,  
Project Development (Ivanpah)  
1999 Harrison Street, Suite 2150  
Oakland, CA 94612  
Phone: (510) 550-8908  
Fax: (510) 550-8165~~

~~The designation of such person and/or address may be changed at any time by either Party upon receipt by the other of written notice. Such a notice served by mail shall be effective upon receipt. Notice transmitted by facsimile shall be effective upon receipt if received prior to 5:00 p.m. on a Working Day, and if not received prior to 5:00 p.m. on a Working Day, receipt shall be effective on the next Working Day.~~

## ~~9. APPLICABILITY~~

~~This Agreement (including all appendices hereto and, by reference, the WSCG Reliability Criteria Agreement) constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties and their successors.~~

## ~~10. AMENDMENT~~

~~No amendment of all or any part of this Agreement shall be valid unless it is reduced to writing and signed by both Parties hereto. The terms and conditions herein specified shall remain in effect throughout the term and shall not be subject to change through application to the FERC or other governmental body or authority, absent the agreement of the Parties.~~

**11. INTERPRETATION**

~~Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of California but without giving effect to the provisions thereof relating to conflicts of law. Article and section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and appendices are, unless the context otherwise requires, references to articles, sections and appendices of this Agreement.~~

**12. PROHIBITION ON ASSIGNMENT**

~~This Agreement may not be assigned by either Party without the consent of the other Party, which consent shall not be unreasonably withheld; provided that the Generator may without the consent of the WSCC assign the obligations of the Generator pursuant to this Agreement to a transferee with respect to any obligations assumed by the transferee by virtue of Section 4.5 of this Agreement.~~

**13. SEVERABILITY**

~~If one or more provisions herein shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.~~

**14. COUNTERPARTS**

~~This Agreement may be executed in counterparts and each shall have the same force and effect as an original.~~

~~**IN WITNESS WHEREOF**, the Transmission Operator and the Generator have each caused this Reliability Management System Agreement to be executed by their respective duly authorized officers as of the date first above written.~~

~~**California Independent System Operator Corporation**~~

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

~~Name: \_\_\_\_\_~~

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

~~Date: \_\_\_\_\_~~

~~**Solar Partners VIII, LLC (a subsidiary of BrightSource Energy, Inc. as successor to Luz II, Inc.)**~~

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

~~Name: \_\_\_\_\_~~

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

~~Date: \_\_\_\_\_~~

**Appendix H  
To LGIA  
(Not Applicable)**

**~~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. The LVRT standard provides for a transition period standard and a post-transition period standard.~~

~~**Transition Period LVRT Standard**~~

~~The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with FERC, filed with FERC in unexecuted form, or filed with FERC as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled In-Service Date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.~~

- ~~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 at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.~~
- ~~2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.~~

- ~~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, etc.) 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 network 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.~~

### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above 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 Interconnection System Impact 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 Interconnection System Impact 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 QQ**

**Certificate of Concurrence**

**California Independent System Operator Corporation**

**July 18, 2013**

## CERTIFICATE OF CONCURRENCE

This is to certify that the California Independent System Operator Corporation (“ISO”) assents and concurs in the service agreement described below, which Southern California Edison Company (“SCE”) as designated filing company, has filed in its Transmission Owner Tariff database. The ISO hereby files this Certificate of Concurrence in lieu of filing the specified service agreement.

**SDG&E’s Service Agreement Adopted by Reference:** Service Agreement No. 119 under SCE FERC Electric Tariff Volume No. 6

**Description of Service Agreement Adopted by Reference:** Standard Large Generator Interconnection Agreement among The Nevada Hydro Company, Inc., SCE, and ISO, designated as SCE Service Agreement No. 119

**Tariff Program/Regulated Industry:** FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)

California Independent System  
Operator Corporation  
By its duly authorized official,



---

Keith E. Casey

Dated: July 12, 2013

**Attachment RR - Clean**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 2442**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b>Joint Tariff Name/Description:</b>	Large Generator Interconnection Agreement among The Nevada Hydro Company, Inc., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 119.
<b>Designated Filing Company:</b>	Southern California Edison Company
<b>Designated Filing Utility Tariff Title:</b>	Transmission Owner Tariff
<b>Designated Filing Utility Tariff Program:</b>	FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)
<b>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</b>	Amended LGIA, Service Agreement No. 119, and all tariff records for which the designated tariff record is a direct or indirect parent record

**Attachment SS - Marked**

**Concurrence Tariff Record**

**California Independent System Operator Corporation**

**July 18, 2013**

**California Independent System Operator Corporation**  
**Service Agreement No. 2442**  
**Large Generator Interconnection Agreement**

For the terms and conditions and rates of this service, please see the tariff document located as noted below:

<b><u>Joint Tariff Name/Description:</u></b>	<u>Large Generator Interconnection Agreement among The Nevada Hydro Company, Inc., Southern California Edison Company (SCE), and the California Independent System Operator Corporation, designated as SCE Service Agreement No. 119.</u>
<b><u>Designated Filing Company:</u></b>	<u>Southern California Edison Company</u>
<b><u>Designated Filing Utility Tariff Title:</u></b>	<u>Transmission Owner Tariff</u>
<b><u>Designated Filing Utility Tariff Program:</u></b>	<u>FERC Federal Power Act (Traditional Cost of Service and Market-Based Rates)</u>
<b><u>Designated Filing Utility Tariff Record Adopted by Reference (Tariff Record Description/Tariff Record Title):</u></b>	<u>Amended LGIA, Service Agreement No. 119, and all tariff records for which the designated tariff record is a direct or indirect parent record</u>

California Independent System Operation \_\_\_\_\_  
Non-Conforming Service Agreements \_\_\_\_\_  
Service Agreement No. 2442

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

**THE NEVADA HYDRO COMPANY, INC.  
AND**

**SOUTHERN CALIFORNIA EDISON COMPANY  
AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**PROJECT: LEAPS TOT132 (Q#72)**

\_\_\_\_\_ Tariff Record Proposed Effective Date:  
05/21/2012

\_\_\_\_\_ Version Number: 0.0.0

\_\_\_\_\_ Option Code: A

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~~**STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT**~~

~~**THE NEVADA HYDRO COMPANY, INC.**~~

~~**SOUTHERN CALIFORNIA EDISON COMPANY**~~

~~**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**~~

~~**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT**~~

~~("LGI") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, by and among The Nevada Hydro Company, Inc., a corporation organized and existing under the laws of the State/Commonwealth of California ("**Interconnection Customer**" with a Large Generating Facility), Southern California Edison Company, 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~~

~~connected, including requirements adopted pursuant to Section 215 of the Federal Power Act.~~

~~\_\_\_\_\_ **Asynchronous Generating Facility** shall mean an induction, doubly-fed, or electronic power generating unit(s) that produces 60 Hz (nominal) alternating current.~~

~~**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.~~

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

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

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

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

~~**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 the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

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

~~**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the 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 Facilities Study** shall mean the study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the Participating TO's Transmission System.~~

~~**Interconnection Facilities Study Agreement** shall mean the agreement between the Interconnection Customer and the CAISO for conducting the Interconnection Facilities Study.~~

~~**Interconnection Feasibility Study** shall mean the preliminary evaluation conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the Participating TO's Transmission System.~~

~~**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.~~

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~~**Interconnection Request** shall mean a request, in the form of Appendix 1 to the Standard 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 any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), or a third party consultant for the Interconnection Customer pursuant to the Standard Large Generator Interconnection Procedures.~~

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

~~**IRS** shall mean the Internal Revenue Service.~~

~~**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.~~

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

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

~~**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 Corporation 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 Council practice, the~~

~~Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.~~

~~**Participating TO's Transmission System** shall mean the facilities owned and operated by the Participating TO and that have been placed under the 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.~~

~~**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.~~

~~**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 CAISO, a pro forma version of which is set forth in Appendix B.3 of the CAISO 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 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.~~

~~**Standard 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 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, 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 the 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 fifty (50) years from the Effective Date 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.~~

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

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

~~2.4~~ ~~\_\_\_\_\_~~ ~~**Termination Costs.**~~ If this LGIA terminates pursuant to Article 2.3 above, the Interconnection Customer shall pay all costs incurred or irrevocably committed to be incurred in association with the Interconnection Customer's interconnection (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) and other expenses, including any Network Upgrades and Distribution Upgrades for which the Participating TO or 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.

~~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.~~

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~~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.~~

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~~**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,~~

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~~(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;~~

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

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

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

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

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

~~performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Participating TO's failure to meet its schedule.~~

~~No liquidated damages shall be paid to the Interconnection Customer if: (1) the Interconnection Customer is not ready to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for the Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit on the specified dates, unless the Interconnection Customer would have been able to commence use of the Participating TO's Interconnection Facilities or Network Upgrades to take the delivery of power for Electric Generating Unit's Trial Operation or to export power from the Electric Generating Unit, but for the Participating TO's delay; (2) the Participating TO's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other interconnection customer who has entered into an interconnection agreement with the 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 the guidelines and procedures established by the Applicable Reliability Council and in accordance with 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 apply to Asynchronous Generating Facilities in accordance with Appendix H.~~

~~**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 Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;~~

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

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

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

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

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

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

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

~~5.7 **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Any Party may, at any time, request a progress report from another Party. If, at any time, the Interconnection Customer determines that the completion of the Participating TO's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Participating TO and 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.** ~~The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the 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. No as-built drawings will be provided.~~

~~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.~~

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**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 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 on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to the Participating TO and the 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.~~

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~~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) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.~~

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

## ~~**ARTICLE 7. METERING**~~

~~**7.1** \_\_\_\_\_ **General.** Each Party shall comply with the Applicable Reliability Council requirements. The Interconnection Customer and CAISO shall comply with the provisions of the CAISO Tariff regarding metering, including Section 10 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 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.** For all Generating Facilities other than Asynchronous Generating Facilities, 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. For Asynchronous Generating Facilities, the Interconnection Customer shall design the Large Generating Facility to maintain power factor criteria in accordance with 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 the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as~~

~~required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and 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. Asynchronous Generating Facilities shall be subject to frequency ride through capability requirements in accordance with Appendix H to this LGIA.~~

#### ~~9.7.4 System Protection and Other Control Requirements.~~

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

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

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

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

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

~~9.7.4.6 Prior to the in-service date, and again prior to the Commercial Operation Date, the Participating TO and Interconnection Customer or their agents shall perform a complete calibration test and functional trip test of the~~

~~System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.~~

~~**9.7.5 Requirements for Protection.** In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the 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 Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.~~

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

~~**9.9 Use of Interconnection Facilities by Third Parties.**~~

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**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 solely funded by the Interconnection Customer.

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~~**11.4** **Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the CAISO and the Participating TO to receive Congestion Revenue Rights as defined in and as available under the CAISO Tariff at the time of the election in accordance with the CAISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 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 cost of Network Upgrades. Such amount shall include any tax gross-up or other tax-related payments associated with Network Upgrades not refunded to the Interconnection Customer 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 the entity to which reimbursement must be made.~~

~~**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.

**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 or transmission credits for transmission service that is not associated with the Large Generating Facility.~~

**11.5** ~~**Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. Such security shall be reduced on a dollar-for-dollar basis for payments made to the Participating TO for these purposes.~~

In addition:

**11.5.1** ~~The guarantee must be made by an entity that meets the creditworthiness requirements of the Participating TO, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

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

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

**11.6** ~~**Interconnection Customer Compensation.** If the 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. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.

~~12.3 Payment.~~ Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any

Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.

~~12.4~~ ~~Disputes.~~ In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the 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 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.~~

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~~**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.~~

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~~**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 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

~~Recitals, 1, 2.1, 2.2, 2.3, 2.4, 2.6, 3.1, 3.3, 4.1, 4.2, 4.3, 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, 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 of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:~~

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

~~The 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.~~

**Southern California Edison Company**

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

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

Date: \_\_\_\_\_

**California Independent System Operator Corporation**

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

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

Date: \_\_\_\_\_

**The Nevada Hydro Company, Inc.**

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** — **[Not Used]**

**Appendix H** — Interconnection Requirements for an Asynchronous Generating Facility

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## Appendix A

### To LGIA

#### ~~Interconnection Facilities, Network Upgrades and Distribution Upgrades~~

Within Appendix A of this LGIA, the Parties have identified and characterized certain interconnection components of the interconnection configuration as one of three types: i) Network Upgrades, ii) Interconnection Facilities, or iii) Distribution Upgrades. No Party to this LGIA has agreed or acknowledged that any interconnection component identified as one type may, through operation of this LGIA, also be characterized as a different type. Studies conducted by the Parties during the Interconnection Study process associated with this LGIA analyzed these components as they are currently configured, as a generation interconnection to the grid controlled by the California Independent System Operator Corporation (“CAISO”). Any determinations of need for these components made by the CAISO up to the date this LGIA is executed, or up to the date this LGIA is filed unexecuted at the Federal Energy Regulatory Commission, are limited to their current configurations. Nothing in this LGIA shall operate to characterize any interconnection component as one type in any Appendix to this LGIA as a different type.

#### 1) ~~Interconnection Facilities:~~

#### a) ~~Interconnection Customer's Interconnection Facilities:~~

i) ~~Interconnection Customer's Interconnection Facilities~~ consist of one interconnection position in the Interconnection Customer's 500 kV switchrack located in the Interconnection Customer's proposed LEAPS Substation, using a one and a half circuit breaker configuration, two 500 kV circuit breakers, associated meters, metering equipment, protective relays disconnects, associated 500 kV generation tie-line (“Alberhill-LEAPS 500 kV Generation Tie-Line”), and appurtenant facilities.

ii) ~~If at any time FERC, as the regulatory agency having jurisdiction over the Interconnection Customer's Interconnection Facilities, determines that any or all of the Interconnection Customer's Interconnection Facilities are instead Network Upgrades, then the facilities will be reclassified as Stand Alone Network Upgrades and this LGIA will be amended to reflect such reclassification. The Interconnection Customer will, within sixty (60) Calendar Days following such determination, transfer ownership of such facilities to the Participating TO pursuant to Article 5.2 of this LGIA, and the Interconnection Customer may elect to receive transmission credits for the net book value of the cost of such facilities.~~

- iii) \_\_\_\_\_ In additional to the above, the Interconnection Customer shall:
- (1) \_\_\_\_\_ Construct the Alberhill-LEAPS 500 kV Generation Tie-Line, approximately fifteen circuit miles from the LEAPS Generating Facility substation to the last structure owned by the Interconnection Customer outside of and nearest to the perimeter fence of the Alberhill Substation.
  - (2) \_\_\_\_\_ Install optical ground wire (“OPGW”) to provide the telecommunication path required for the line protection and one of the two telecommunication paths required for the SPS.
  - (3) \_\_\_\_\_ Install all required CAISO-approved compliant metering at the LEAPS Generating Facility.
  - (4) \_\_\_\_\_ Provide a metering cubicle for the Participating TO to install its retail metering equipment and related meters. Such cubicle must be placed at a location that would allow twenty-four hour access for the Participating TO’s metering personnel.
  - (5) \_\_\_\_\_ Install the following line protection relays at the termination point of the Alberhill-LEAPS 500 kV Generation Tie-Line at the Interconnection Customer’s 500 kV switchyard, as specified by the Participating TO:
    - (a) \_\_\_\_\_ Two GE G60 breaker management relays.
    - (b) \_\_\_\_\_ One SEL-311L line current differential (digital F.O. channel).
    - (c) \_\_\_\_\_ One GE L90 line current differential (digital F. O. channel).
    - (d) \_\_\_\_\_ One GE D60 directional comparison pilot relaying (digital F.O./MW channel).
    - (e) \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (digital F.O. channel).
    - (f) \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (M/W channel).
    - (g) \_\_\_\_\_ One 32/64 digital fault recorder.
    - (h) \_\_\_\_\_ One ethernet service drop.
    - (i) \_\_\_\_\_ One SEL-2030 relay.
    - (j) \_\_\_\_\_ Install SPS to trip Electric Generating Units at the LEAPS Generating Facility for an outage of the Alberhill-LEAPS 500 kV Generation Tie-Line when the LEAPS Generating Facility is operating in pumping mode as follows:
      - (i) \_\_\_\_\_ Two G.E. N60 relays (one for SPS A and one for SPS B) for line monitoring and sending of tripping signals.
      - (ii) \_\_\_\_\_ One SEL – 2407 satellite synchronized clock.
      - (iii) \_\_\_\_\_ The SPS will use the same telecommunication channels to be installed between Alberhill Substation and the LEAPS 500kV Switchyard to support the line protection requirements on the Alberhill–LEAPS 500kV Generation Tie-Line, so no additional channels are required.
  - (6) \_\_\_\_\_ Provide adequate space and power sources within the Interconnection Customer’s facilities for the installation of the

Participating TO's telecommunication terminal equipment interfacing with the Interconnection Customer's Alberhill-LEAPS 500 kV Generation Tie-Line protection and SPS relays described in Section 1(a)(iii)(5) above and the Participating TO's remote terminal unit ("RTU") installed at the LEAPS Generating Facility.

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

b) \_\_\_\_\_ **Participating TO's Interconnection**

**Facilities:** The Participating TO shall perform the following work pursuant to Article 11.2 of the LGIA:

i) \_\_\_\_\_ Alberhill Substation:

(1) \_\_\_\_\_ Install new telecommunication equipment to support the Alberhill-LEAPS 500 kV Generation Tie-Line protection, SCADA and the Participating TO's applicable voice and data requirements.

(2) \_\_\_\_\_ Install new fiber optic cable to extend the Participating TO's existing fiber optic cable to the LEAPS Generating Facility. The combined (existing + new) fiber optic cable provides the required alternate route between Alberhill Substation and the LEAPS Generating Facility.

(3) \_\_\_\_\_ Protection Relays: Install the following relay protection devices for the Alberhill-LEAPS 500 kV Generation Tie-Line protection.

(a) \_\_\_\_\_ Two GE C60 breaker management relays.

(b) \_\_\_\_\_ One SEL-311L line current differential (digital F.O. channel).

(c) \_\_\_\_\_ One GE L90 line current differential (digital F. O. channel).

(d) \_\_\_\_\_ One GE D60 directional comparison pilot relaying (digital F.O./MW channel).

(e) \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (digital F.O. channel).

(f) \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (M/W channel).

(g) \_\_\_\_\_ One 32/64 digital fault recorder.

(h) \_\_\_\_\_ One Ethernet service drop.

(i) \_\_\_\_\_ One SEL-2030 relay.

(j) \_\_\_\_\_ Install SPS to trip Electric Generating Units at the LEAPS Generating Facility for an outage of the Alberhill-LEAPS 500 kV Generation Tie-Line when the LEAPS Generating Facility is operating in pumping mode as follows:

(i) \_\_\_\_\_ Two G.E. N60 relays (one for SPS A and one for SPS B) for line monitoring and sending of tripping signals.

(ii) \_\_\_\_\_ One SEL—2407 satellite synchronized clock.

The SPS will use the same telecommunication channels to be installed between Alberhill Substation and the LEAPS 500kV Switchyard to support the line protection requirements on the Alberhill – LEAPS 500kV Generation Tie-Line, so no additional channels are required.

- (4) ~~Other Station Elements to be Installed:~~
- (a) ~~Microwave antenna for communications.~~
- (b) ~~Dual communication channels on separate routes to support the line protection relays on the Alberhill-LEAPS 500 kV Generation Tie-Line. One of the communication channels will be provided by installing OPGW on the new Alberhill-LEAPS 500 kV Generation Tie-Line.~~
- (c) ~~Towers, line drop, and appurtenant facilities to interconnect the Alberhill-LEAPS 500 kV Generation Tie-Line.~~
- (d) ~~Retail meters and metering facilities.~~

- ii) ~~LEAPS Generating Facility:~~
- (1) ~~Install new telecommunication equipment to support the Alberhill-LEAPS 500 kV Generation Tie-Line protection, SCADA, and the Participating TO's applicable voice and data requirements. Notwithstanding the fact that such new telecommunication equipment will be located on the Interconnection Customer's side of the Point of Change of Ownership, such equipment will be owned and maintained by the Participating TO.~~
- (2) ~~Install an RTU to monitor the typical generating elements such as MW, MVAR, terminal voltage and circuit breaker status at each Electric Generating Unit and the plant auxiliary load. Notwithstanding the fact that such RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, such equipment will be owned and maintained by the Participating TO.~~

## **2) Network Upgrades:**

- a) **Stand Alone Network Upgrades:** None.
- b) **Participating TO's Reliability Network Upgrades:**

i) **Alberhill 500 kV Substation** The Participating TO shall perform the following work pursuant to Article 11.3 of the LGIA:

- (1) Engineer and construct the Alberhill 500 kV Substation at the site previously known as the Horse Ranch location, which will include the following elements:
  - (a) An initial four bay position, breaker-and-a-half 500 kV switchyard, using Gas Insulated System ("GIS") switchgear, and provide enough space necessary to accommodate a full design build-out capability of six 500 kV bay. Initially install four bays (1, 2, 3 and 4) with 7500A, 63KA, 500 kV buses and equipped with eight 500 kV bus PTs and provide the four bays with four 4000A, 500kV

line positions, including nine 500-kV circuit breakers and associated disconnects in positions 1, 2, 3, and 4.

(b) \_\_\_\_\_ The station should allow enough space for future installation of two additional bay positions and two 500kV capacitor banks.

(2) \_\_\_\_\_ Mechanical Electrical Equipment Room ("MEER"): Install a new MEER building of approximately 65 ft. by 70 ft. to house the following equipment:

- (a) \_\_\_\_\_ Batteries and battery charger
- (b) \_\_\_\_\_ Light and power selector switch
- (c) \_\_\_\_\_ Light and power panel
- (d) \_\_\_\_\_ A.C. distribution panel
- (e) \_\_\_\_\_ D.C. distribution panel
- (f) \_\_\_\_\_ Relay Protection
- (g) \_\_\_\_\_ Telecommunication equipment
- (h) \_\_\_\_\_ Appurtenant facilities

(3) \_\_\_\_\_ Protection Relays:

(a) \_\_\_\_\_ 500-kV Transmission Lines:

(i) \_\_\_\_\_ Equip Alberhill-LEAPS 500-kV Generation Tie-Line with three 500-kV line CCVTs & three 500-kV line surge arresters. Terminate (3) 2156 KCMIL ACSR/phase conductors to 108-ft high steel dead-end. Provide adequate riser and jumper connections to the GIS riser conductors.

(ii) \_\_\_\_\_ Equip Alberhill-Valley 500-kV Transmission Line with three 500-kV line CCVTs & three 500-kV line surge arresters. Terminate (3) 2156 KCMIL ACSR/phase conductors to 108-ft high steel dead-end. Provide adequate riser and jumper connections to the GIS riser conductors.

(iii) \_\_\_\_\_ Equip Alberhill-Serrano 500-kV Transmission Line with three 500-kV line CCVTs & three 500-kV line surge arresters. Terminate (3) 2156 KCMIL ACSR/phase conductors to 108-ft high steel dead-end. Provide adequate riser and jumper connections to the GIS riser conductors.

(iv) \_\_\_\_\_ Install the following relays at each of the line positions:

1. \_\_\_\_\_ Two G.E. C60 breaker management relays.  
2. \_\_\_\_\_ One SEL-311L line current differential (digital F.O. channel).

3. \_\_\_\_\_ One G.E. L90 line current differential (digital F.O. channel).

4. \_\_\_\_\_ One G.E. D 60 directional comparison pilot relaying (digital F.O./MW channel).

5. \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (digital F.O. channel).

6. \_\_\_\_\_ One RFL 9745 tele-protection channel DTT (MW channel).

(b) \_\_\_\_\_ Other Protection Devices:

- (i) Install one 32/64 digital fault recorder.
- (ii) Install one Ethernet service drop.
- (iii) Install one SEL-2030 connected to all three SEL-311L relays.

- (4) Other Station Elements to be Installed:
  - (a) Telecommunications tower and MW dish antenna.
  - (b) Perimeter fence with double barbed wire and a double door 20-ft. gate around the substation.
  - (c) Grounding grid to cover the substation area and additional 10-ft. outside the perimeter fence.
  - (d) Perform grading and site preparation for the substation area and additional 10-ft. outside the perimeter fence.
  - (e) 25-ft. wide paved driveway around both the 500 kV and 115 kV switchyards and the transformer banks with a branch of driveway to provide access to the relay room.
  - (f) All required control cable trenches from the relay room to the 500 kV switchyard.
  - (g) Install the necessary equipment, including one RTU to monitor the typical bulk power elements such as MW, MVAR, and phase amps at each line and also kV at lines and buses and all circuit breaker status/control, protection relays status and alarms. The installed equipment will transmit information to the Participating TO's Grid Control Center.

ii) Serrano — Valley 500 kV Transmission Line: Loop the existing Serrano-Valley 500 kV Transmission Line into Alberhill Substation and form two new lines: Alberhill-Serrano and Alberhill Valley 500 kV Transmission Lines. This work requires the installation of new dead-end steel structures at the tie-in locations along with related line hardware and conductors. From the tie-in locations, the lines will continue to the proposed new Alberhill Substation site. Note: Numerous routing alternatives exist for the lines connecting the tie-in locations to the Alberhill Substation site. They range in length from 1.5 to 2.5 miles per connecting line. These lines go over rocky and hilly terrain with numerous major turns. Single circuit towers are under consideration for this project. The project may need sixteen towers.

iii) Substations:

(a) Serrano Substation:

(i) Upgrade the Serrano-Valley 500 kV line protection as needed to change the line to the Alberhill-Serrano 500 kV Transmission Line.

(ii) Replace the existing LFCB relay with a new SEL-311L line current differential relay and modify the existing D60 and L90 relays to change the existing transfer trip schemes from Serrano Substation to Alberhill Substation.

~~(iii) Reconfigure the existing digital channel from Serrano Substation to Alberhill Substation and modify the existing SEL 2030 telecommunications processor with Ethernet to provide connection to the new SEL relay.~~

~~(b) Valley Substation:~~

~~(i) Upgrade the Serrano-Valley 500 kV line protection as needed to change the line to the Alberhill-Valley 500 kV transmission line.~~

~~(ii) Replace the existing LFCB relay with a new SEL 311L line current differential relay and modify the existing D60 and L90 relays to change the existing transfer trip schemes from Valley Substation to Alberhill Substation.~~

~~(iii) Reconfigure the existing digital channel from Valley Substation to Alberhill Substation and modify the existing SEL 2030 telecommunications processor with Ethernet to provide connection to the new SEL relay.~~

~~(c) Etiwanda Generating Station:~~

~~(i) Replace the 2000A wave trap on the Vista 220 kV line position with 3000A rated wave trap, with N-2 contingency rating of 3210A to support the maximum N-2 line loading of 3071A.~~

~~(ii) Replace twenty-four 63 kA 220 kV circuit breakers with new 80 kA rated circuit breakers and upgrade the Etiwanda 220 kV switchyard to 80 kA rating.~~

~~(iii) The scope of work for the switchyard upgrade has not been completed at this time. A scope of work and cost estimate has been prepared for the upgrade of a similar facility. At this time it is expected that the type of upgrades for this location would be very similar to those already scoped and estimated for the similar facility. Based on this assumption, it is expected that, in addition to the work shown in 2(c)(i) and 2(c)(ii) above, the following additional upgrades would be required:~~

~~1. Replace twenty-four 220 kV surge arresters.~~

~~2. Replace all line and bank vertical risers with tubular conductors.~~

~~3. Replace all 4/0 CU connectors to the ground grid with connectors compatible with 350 MCM bare copper conductor.~~

~~4. Install new sections of 350 MCM bare copper wire and interconnect with the 4/0 CU ground grid.~~

~~5. Install four gas insulated grounding switches.~~

~~iv) Telecommunications:~~

~~(a) \_\_\_\_\_ Install new telecommunication equipment on separate routes to support the line protection relays on the Alberhill-Serrano and Alberhill-Valley 500 kV Transmission Lines. The new telecommunication equipment will be installed at Alberhill, Serrano, Valley, and Mira Loma Substations, as well as Santiago Peak communications site.~~

~~v) \_\_\_\_\_ Corporate Real Estate: Survey the area surrounding Alberhill Substation and the 500 kV line loop and prepare topographical maps and line profiles to support the engineering and design activities.~~

~~vi) \_\_\_\_\_ Permitting Activities: All work associated with obtaining the required permits, including the Certificate of Public Convenience and Necessity ("CPCN") with the California Public Utilities Commission.~~

~~vii) \_\_\_\_\_ Valley-Serrano 500 kV line cutover: Design, engineer, construct and install the final towers associated with the line loop from the Valley-Serrano 500 kV line to Alberhill Substation, and cut over the Valley-Serrano 500 kV line to Alberhill Substation.~~

~~e) \_\_\_\_\_ **Participating TO's Delivery Network Upgrades: None**~~

~~3) \_\_\_\_\_ **Distribution Upgrades:** The Participating TO shall perform the following work pursuant to Article 11.3 of the LGIA:~~

~~a) \_\_\_\_\_ **Valley Substation:** Replace six 31.5 kA 115 kV circuit breakers with new 40 kA rated circuit breakers and upgrade six 31.5 kA circuit breakers to 40 kA.~~

~~b) \_\_\_\_\_ **Alberhill 115 kV Substation:** Notwithstanding Article 11.3 of the LGIA, if the Participating TO elects to construct the Alberhill 115 kV Substation, the Participating TO shall fund the Distribution Upgrades described in this Subsection 3(b). However, if the Participating TO elects not to construct such Distribution Upgrades described in this Section 3(b), then the LGIA will be amended to reflect the revised scope of work, costs, milestone schedule and payment schedule:~~

~~i) \_\_\_\_\_ Engineer and construct the new Alberhill 115 kV Substation based on the one-line diagram specified in Section 6 below which will include the following elements:~~

~~(1) \_\_\_\_\_ One 115 kV open air switchrack as shown on the one-line diagram specified in Section 6 below, with five breaker and a-half positions with enough available space to allow the future installation of five additional positions.~~

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~~(2) Two outdoor type 500/115kV, 560 MVA transformer banks with enough space to allow a future addition of two more 500/115 kV, 560 MVA units for a total of four banks.~~

~~(3) The station will allow enough space for future installation of two 115kV capacitor banks.~~

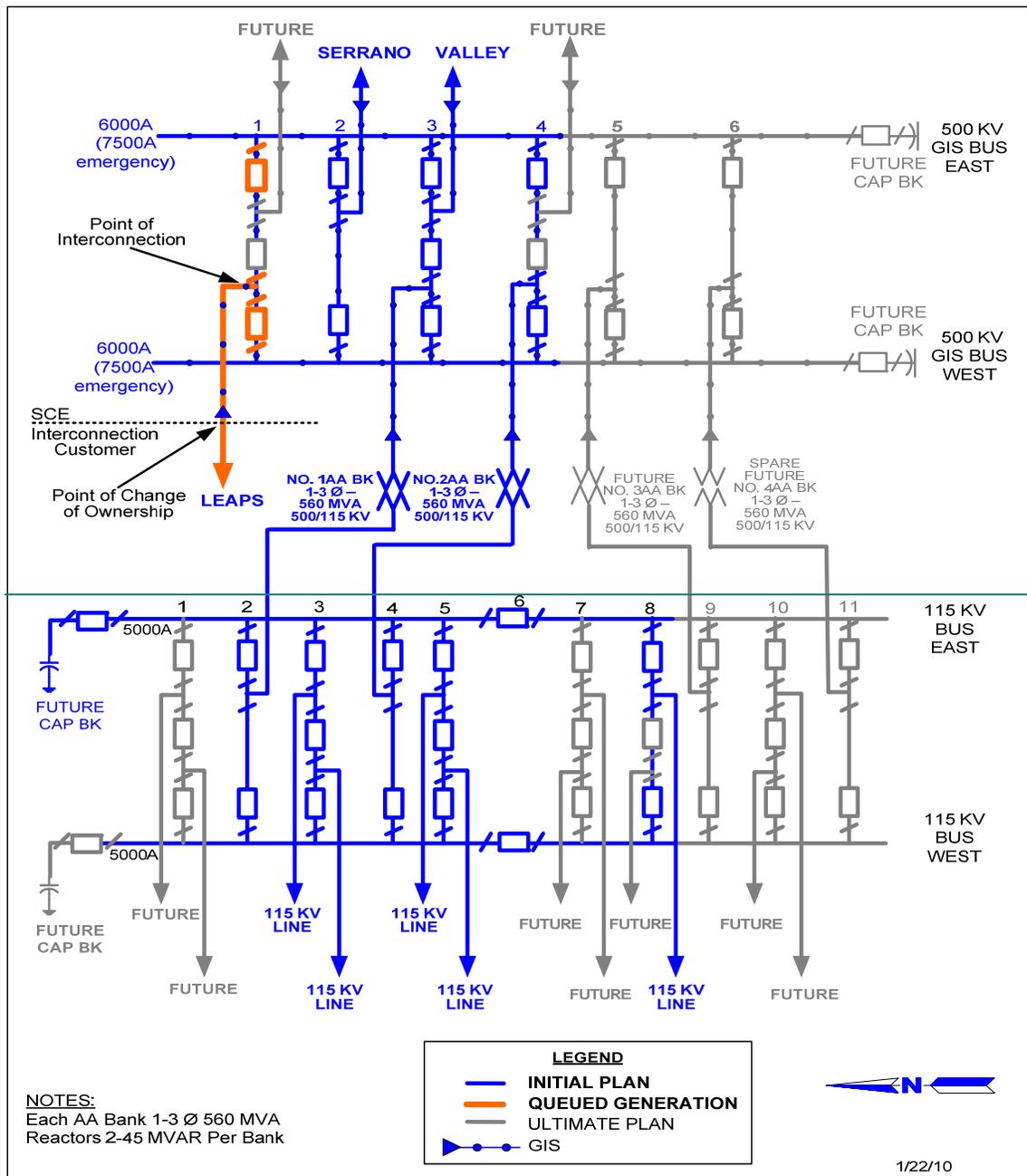
~~(4) Protection equipment to support the 115-kV system requirements.~~

~~(5) Perimeter fence, grounding grid, grading, driveways, and cable trenches to support its operation and maintenance.~~

~~4) **Point of Change of Ownership:** The point where the conductors of the Alberhill-LEAPS 500 kV Generation Tie-Line are attached to the first structure located directly outside the Alberhill 500 kV Substation property line. This would be the side of the structure facing the substation. The Interconnection Customer shall own and maintain said structure, and the conductors connecting this structure with the second structure located outside Alberhill Substation, including the jumper loop. The Participating TO shall own and maintain the Alberhill 500 kV Substation, the Alberhill 500/115 kV Substation, Valley-Serrano line loop, rights-of-way associated with the Valley-Serrano line loop, all circuit breakers, disconnects, relay facilities, metering within the substation, land, and the line drops in their entirety from the point they are attached to the first structure outside the substation's property line. The Participating TO shall own the insulators that are used to attach the Participating TO-owned conductors to the Interconnection Customer-owned structure.~~

~~5) **Point of Interconnection:** Participating TO's Alberhill Substation 500-kV bus.~~

~~6) **One-Line Diagram of Interconnection to Alberhill Substation:**~~



Note: The LEAPS Generating Facility is proposed to be connected to the Participating TO's Alberhill Substation Project. This substation project is still under development as part of the long-term transmission plan and has been approved by the CAISO Board. Also, a CPCN for the Alberhill 500/115 KV Substation and Valley/Serrano-Line loop has been filed at the CPUC. In the event that SCE modifies its plan for the Alberhill 500/115-kV Substation, or the substation project does not receive CPUC approval, then the Participating TO would develop an alternate plan to connect the Generating Facility to the Valley – Serrano 500kV Transmission Line. The alternate plan for connection to the Valley – Serrano 500kV Transmission Line may be subject to

CPUC review and concurrence if this information has not yet been evaluated as part of the LGIP review process.

7) ~~\_\_\_\_\_~~ **Transmission Credits:** The Interconnection Customer may elect, pursuant to Article 11.4 of the LGIA, to receive Congestion Revenue Rights in lieu of repayment of the applicable amounts advanced for the costs of the Network Upgrades as transmission credits. The transmission credits will equal the sum of the Delivery Network Upgrades Payment and the Reliability Network Upgrades Payment as shown in Section 17 of this Appendix A.

8) ~~\_\_\_\_\_~~ **Interconnection Studies:** Operational Study: As was identified in the Interconnection Facilities Study report, an operational study will be required one year prior to the interconnection of the LEAPS Generating Facility due to the changes in the generation interconnection queue and the transmission system since the Interconnection Facilities Study was completed. This study may identify Participating TO's Reliability Network Upgrades and Participating TO's Delivery Network Upgrades that are different from those included in the LGIA.

9) ~~\_\_\_\_\_~~ **Security Amount for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades:**

a) ~~\_\_\_\_\_~~ Pursuant to Article 11.5 and Appendix B of the LGIA, and subject to the security posting timeline set forth in Table B.1 of Appendix B, the Interconnection Customer shall:

i) ~~\_\_\_\_\_~~ Provide Credit Support in the amount of \$4,259,000 in accordance with the table shown in Appendix A, Section 9(b), to cover the costs for constructing, procuring and installing the Participating TO's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer.

ii) ~~\_\_\_\_\_~~ Provide Credit Support in the amount of \$51,637,000 in accordance with the table shown in Appendix A, Section 9(d), to cover the costs for constructing, procuring and installing the Participating TO's Network Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer.

iii) ~~\_\_\_\_\_~~ Provide Credit Support in the amount of \$2,397,000 in accordance with the table shown in Appendix A, Section 9(c), to cover the costs for constructing, procuring and installing the Participating TO's Distribution Upgrades. The disposition of any released Credit Support shall be directed by the Interconnection Customer.

(b) ~~\_\_\_\_\_~~ The Participating TO will accept Credit Support for the Participating TO's Interconnection Facilities in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction. The Interconnection Customer shall provide to the Participating TO, the Credit Support, posted as follows and maintained pursuant to Article 11.5 of the LGIA:

• ate Due*	Credit Support Amount
• 0/1/2012	\$26,000
• /1/2013	\$32,000
• /1/2013	\$58,000
• /1/2013	\$175,000
• 0/1/2013	\$306,000
• /1/2014	\$1,064,000
• /1/2014	\$1,071,000
• /1/2014	\$830,000
• 0/1/2014	\$664,000
• /1/2015	\$33,000

(c) \_\_\_\_\_ The Participating TO will accept Credit Support for the Participating TO's Distribution Upgrades in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction. The Credit Support must be satisfied by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO, the Credit Support, posted as follows and maintained pursuant to Article 11.5 of the LGIA:

• ate Due*	Credit Support Amount
• /1/2012	\$21,000
• /1/2012	\$21,000
• 0/1/2012	\$21,000
• /1/2013	\$21,000

• /1/2013	\$29,000
• /1/2013	\$78,000
• 0/1/2013	\$133,000
• /1/2014	\$313,000
• /1/2014	\$766,000
• /1/2014	\$343,000
• 0/1/2014	\$443,000
• /1/2015	\$208,000

(d) \_\_\_\_\_ The Participating TO will accept Credit Support for the Participating TO's Network Upgrades in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction. The Credit Support must be satisfied by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO, the Credit Support, posted as follows and maintained pursuant to Article 11.5 of the LGIA:

• ate Due*	Credit Support Amount
• /1/2012	\$447,000
• /1/2012	\$447,000
• 0/1/2012	\$447,000
• /1/2013	\$455,000
• /1/2013	\$630,000
• /1/2013	\$1,693,000
• 0/1/2013	\$2,887,000
•	\$4,584,000

/1/2014	
•	\$16,487,000
/1/2014	
•	\$7,389,000
/1/2014	
•	\$9,547,000
0/1/2014	
•	\$6,271,000
/1/2015	
•	\$300,000
/1/2015	
•	\$53,000
/1/2015	

\* The due dates for Interconnection Customer to provide Credit Support are subject to change should the milestone dates set forth in Appendix B change.

10) ~~\_\_\_\_\_~~ **Security Amount for Estimated Tax Liability:** Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability shall be calculated as follows:

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

$$\text{Estimated tax liability for Participating TO's Interconnection Facilities and Distribution Upgrades} = (35\% \times (\text{Interconnection Facilities Cost} + \text{Distribution Upgrades Cost})) = (35\% \times (\$4,259,000 + \$2,397,000)) = \$2,329,600$$

$$\text{Interconnection Facilities Cost} = \$4,259,000$$

$$\text{Distribution Upgrades Cost} = \$2,397,000$$

Based upon the estimated tax liability, the Interconnection Customer shall provide Credit Support to the Participating TO in the form of a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the applicable jurisdiction.

The security must be made by an entity that meets the creditworthiness requirement of the Participating TO. The Interconnection Customer shall provide to the Participating TO security, pursuant to Article 5.17.3 and Appendix B of the LGIA, posted as follows:

• _____ ate Due	Credit Support Amount _____
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• _____ /1/2012	\$7,350
• _____	\$14,700
• _____ 0/1/2012	\$31,150
• _____ /1/2013	\$49,700
• _____ /1/2013	\$80,150
• _____ /1/2013	\$168,700
• _____ 0/1/2013	\$322,350
• _____ /1/2014	\$804,300
• _____ /1/2014	\$1,447,250
• _____ /1/2014	\$1,857,800
• _____ 0/1/2014	\$2,245,250
• _____ /1/2015	\$2,329,600

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

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

1) \_\_\_\_\_ Tax Assessment Event:  $((\text{Current Tax Rate} \times (\text{Gross income} - \text{NPV Tax Depreciation})) + \text{Interest}) / (1 - \text{Current Tax Rate})$

2) \_\_\_\_\_ Subsequent Taxable Event:  $(\text{Current Tax Rate} \times (\text{Replacement Facility Cost} - \text{NPV Tax Depreciation})) / (1 - \text{Current Tax Rate})$

11) \_\_\_\_\_ **Removal of the Participating TO's Interconnection Facilities:** Following termination of the LGIA, the Participating TO will remove the Participating TO's Interconnection Facilities from service to the

~~Interconnection Customer pursuant to Article 2.5 of the LGIA. On or before the date one year following termination of this LGIA, the Participating TO shall notify the Interconnection Customer whether the Participating TO intends to physically remove the Participating TO's Interconnection Facilities, or any part thereof. If the Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then the Participating TO shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost pursuant to Section 2.4.3 of the LGIA. If the Participating TO does not intend to physically remove the Participating TO's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.~~

~~12) \_\_\_\_\_ **Additional Definitions:** For the purposes of these Appendices, the following terms, when used with initial capitalization, whether in the singular or the plural, shall have the meanings specified below:~~

~~a) \_\_\_\_\_ **Accounting Practice:** Generally accepted accounting principles and practices applicable to electric utility operations.~~

~~b) \_\_\_\_\_ **Annual Tax Security Reassessment:** In accordance with the directives of FERC Orders 2003-A and 2003-B associated with Article 5.17.4 of the LGIA, the annual reassessment of the current tax liability, which will commence the first year after Interconnection Customer's in-service date.~~

~~c) \_\_\_\_\_ **Capital Additions:** Any modifications to the Participating TO's Interconnection Facilities in accordance with Article 5.19 of the LGIA. Such modifications may be any Units of Property which are added to the Participating TO's Interconnection Facilities, the enlargement, modification or betterment of any Units of Property constituting a part of the Participating TO's Interconnection Facilities, or the replacement of any Units of Property constituting a part of the Participating TO's Interconnection Facilities (irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces), the costs of which additions, enlargements, modifications, betterments or replacements would in accordance with Accounting Practice be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Participating TO, or because of damage caused by negligence or willful misconduct of the Participating TO, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to the Interconnection Customer, for such Capital Additions.~~

~~d) \_\_\_\_\_ **Capital Additions Cost:** All costs, excluding One-Time Costs, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of Capital Additions.~~

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- e) ~~Capital Additions Payment: The sum of the Capital Additions Cost and the One-Time Costs of the work performed by the Participating TO associated with the Capital Additions~~
- f) ~~CPUC: The California Public Utilities Commission, or its regulatory successor.~~
- g) ~~Credit Support: A guarantee, surety bond, letter of credit, or other form of security meeting the requirements of Article 11.5 of the LGIA.~~
- h) ~~Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Participating TO's retail electric customers for added facilities, which does not compensate the Participating TO for replacement of added facilities. The currently effective Customer-Financed Monthly Rate is provided in Section 16 of this Appendix A.~~
- i) ~~Delivery Network Upgrades Cost: All costs, excluding One-Time Costs, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Delivery Network Upgrades. The Delivery Network Upgrades Cost is provided in Section 15 of this Appendix A.~~
- j) ~~Delivery Network Upgrades Payment: The sum of the Delivery Network Upgrades Cost and the One-Time Costs associated with the Delivery Network Upgrades, as provided in Section 17 of this Appendix A.~~
- k) ~~Distribution Upgrades Cost: All costs, excluding ITCC and One-Time Costs, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades. The Distribution Upgrades Cost is provided in Section 15 of this Appendix A.~~
- l) ~~Distribution Upgrades Payment: The sum of the Distribution Upgrades Cost and the One-Time Cost of the work performed by the Participating TO associated with the Distribution Upgrades, as provided in Section 17 of this Appendix A.~~
- m) ~~Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Participating TO's Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 16 of this Appendix A.~~
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n) Interconnection Facilities Completion Date: The date upon which the construction of the Participating TO's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.

o) Interconnection Facilities Cost: All costs, excluding ITCC and One-Time Costs, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 15 of this Appendix A.

p) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and the One-Time Cost of the work performed by the Participating TO associated with the Participating TO's Interconnection Facilities, as provided in Section 17 of this Appendix A.

q) ITCC: The ITCC is equal to the estimated tax liability and is the Income Tax Component of Contribution specified in the Preliminary Statement, Part M of the Participating TO's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost. The ITCC applicable to the Interconnection Facilities Cost and Distribution Upgrades Cost is described in Section 10 of this Appendix A.

r) One-Time Costs: All costs determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Interconnection Facilities, Distribution Upgrades, Network Upgrades or Capital Additions which are not capitalized.

s) Reliability Network Upgrades Cost: All costs, excluding One-Time Costs, determined by the Participating TO to be associated with the design, engineering, procurement, construction and installation of the Participating TO's Reliability Network Upgrades. The Reliability Network Upgrades Cost is provided in Section 15 of this Appendix A.

t) Reliability Network Upgrades Payment: The sum of the Reliability Network Upgrades Cost and the One-Time Costs of the work performed by the Participating TO associated with the Participating TO's Reliability Network Upgrades, as provided in Section 17 of this Appendix A.

u) Removal Cost: The actual cost the Participating TO incurs for the removal of the Participating TO's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Participating TO's Interconnection Facilities.

v) Special Protection System ("SPS"): A system that reduces or trips generation under contingency outages to maintain system stability or to limit overloads on system facilities.

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w) ~~\_\_\_\_\_ Tax Security: The Interconnection Customer's provision of Security with respect to the Interconnection Customer's tax indemnification obligations, provided in accordance with Article 5.17.3.~~

x) ~~\_\_\_\_\_ Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this LGIA, as such list may be amended from time to time.~~

13) ~~\_\_\_\_\_ Charges:~~

a) ~~\_\_\_\_\_ The Interconnection Customer shall pay to the Participating TO the following charges in accordance with the LGIA: (i) Delivery Network Upgrades Payment; (ii) Distribution Upgrades Payment; (iii) Interconnection Facilities Payment; (iv) Reliability Network Upgrades Payment; (v) Capital Additions Payment; (vi) Interconnection Facilities Charge; (vii) any reimbursable FERC fees pursuant to Section 14(e) of this Appendix A; (viii) Removal Cost pursuant to Articles 2.4.3 and 2.5 of the LGIA and Section 14(d) of this Appendix A; and (ix) termination and disconnection costs pursuant to Articles 2.4 and 2.5 of the LGIA.~~

b) ~~\_\_\_\_\_ The Delivery Network Upgrades Cost, Distribution Upgrades Cost, Interconnection Facilities Cost, Reliability Network Upgrades Cost, associated One-Time Costs and Removal Cost shall be compiled in accordance with Accounting Practice.~~

c) ~~\_\_\_\_\_ If, during the term of the LGIA, the Participating TO executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Participating TO's Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on the Participating TO's cost allocation principles in effect at such time and shall be subject to FERC's approval.~~

14) ~~\_\_\_\_\_ Supplemental Billing and Payment Provisions:~~

a) ~~\_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the Delivery Network Upgrades Payment, Distribution Upgrades Payment, Interconnection Facilities Payment, and the Reliability Network Upgrades Payment.~~

b) ~~\_\_\_\_\_ Pursuant to Article 12.1 of the LGIA, commencing on or following the Interconnection Facilities Completion Date, each month the Participating TO will render bills to the Interconnection Customer for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall~~

initially be based on the estimated Interconnection Facilities Cost as specified in Section 15 of this Appendix A. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of Calendar Days in which service was provided during said months.

e) ~~\_\_\_\_\_~~ In accordance with Articles 5.19.3 and 10.5 and pursuant to Article 12.1 of the LGIA, the Participating TO shall submit to the Interconnection Customer invoices due for the preceding month for the payments due for Capital Additions, if any.

i) ~~\_\_\_\_\_~~ For Capital Additions that are the cost responsibility of the Interconnection Customer, prior to commencing work, the Participating TO will provide at least sixty (60) Calendar Days advance written notification to the Interconnection Customer, except that, at the Participating TO's sole discretion, the Participating TO may commence the work on the Capital Additions with either shorter advance written notification or written notification after the work has commenced if the Participating TO determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. The written notification will include the estimated cost of the Capital Additions, and the amount of and due date for the security, if any, required to be paid by the Interconnection Customer sufficient to cover the costs for constructing, procuring and installing the Capital Additions consistent with the applicable terms of Article 11.5 of the LGIA.

ii) ~~\_\_\_\_\_~~ Except as provided in Section 12(c) above, if certain Participating TO's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.

iii) ~~\_\_\_\_\_~~ Except as provided in Section 12(c) above, if Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.

iv) ~~\_\_\_\_\_~~ The Participating TO's invoices shall be based on its estimated cost of the Capital Additions. As soon as reasonably practicable, but within twelve (12) months after the completion of the construction of any Capital Additions, the Participating TO shall provide an invoice of the final cost of the construction of the Capital Additions, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's





Substation								
Etiwanda Substation								
Telecom								
Power System Controls								
Corporate Real Estate								
Permitting								
Total								

16) Interconnection Facilities Charge:  
Interconnection Facilities Charge = Customer Financed Monthly Rate x (Interconnection Facilities Cost)

Effective	Customer-Financed Monthly Rate	Estimated Interconnection Facilities Cost	Interconnection Facilities Charge Based on Estimated Cost	Actual Interconnection Facilities Cost	Interconnection Facilities Charge based on actual cost
As of the Interconnection Facilities Completion Date	0.38%	\$4,259,000	\$16,184.20	[to be inserted after true-up]	[to be inserted after true-up]

17) Interconnection Facilities Payment, Distribution Upgrades Payment, and Reliability Network Upgrades Payment:

An estimate of the monthly incurred costs is shown below. [Note: This estimate assumes that the LGIA has been executed and work starts by the Effective Date to achieve an In-Service Date approximately fifty-two (52) months following the Effective Date.]

Payment No.	Payment Due Date	Interconnection Facilities Cost (A)	Distribution Upgrades Cost (B)	Reliability Network Upgrades Cost (C)	Total Payment Amount (D=A+B+C)	ITCC (E=(A+B)x.35)
1	4/1/12	-	7,000	149,000	156,000	2,450
2	5/1/12	-	7,000	149,000	156,000	2,450
3	6/1/12	-	7,000	149,000	156,000	2,450
4	7/1/12	-	7,000	149,000	156,000	2,450
5	8/1/12	-	7,000	149,000	156,000	2,450
6	9/1/12	-	7,000	149,000	156,000	2,450
7	10/1/12	6,000	7,000	149,000	162,000	4,550
8	11/1/12	10,000	7,000	149,000	166,000	5,950
9	12/1/12	10,000	7,000	149,000	166,000	5,950
10	1/1/13	10,000	7,000	149,000	166,000	5,950
11	2/1/13	11,000	7,000	153,000	171,000	6,300
12	3/1/13	11,000	7,000	153,000	171,000	6,300
13	4/1/13	11,000	7,000	153,000	171,000	6,300
14	5/1/13	16,000	7,000	151,000	174,000	8,050
15	6/1/13	31,000	15,000	326,000	372,000	16,100

16	7/1/13	45,000	20,000	434,000	499,000	22,750
17	8/1/13	58,000	26,000	564,000	648,000	29,400
18	9/1/13	72,000	32,000	695,000	799,000	36,400
19	10/1/13	86,000	38,000	825,000	949,000	43,400
20	11/1/13	100,000	44,000	954,000	1,098,000	50,400
21	12/1/13	120,000	51,000	1,108,000	1,279,000	59,850
22	1/1/14	166,000	61,000	1,324,000	1,551,000	79,450
23	2/1/14	370,000	83,000	1,797,000	2,250,000	158,550
24	3/1/14	528,000	169,000	1,463,000	2,160,000	243,950
25	4/1/14	525,000	261,000	5,616,000	6,402,000	275,100
26	5/1/14	329,000	268,000	5,773,000	6,370,000	298,950
27	6/1/14	217,000	237,000	5,098,000	5,552,000	158,900
28	7/1/14	238,000	112,000	2,403,000	2,753,000	122,500
29	8/1/14	284,000	107,000	2,314,000	2,705,000	136,850
30	9/1/14	308,000	124,000	2,672,000	3,104,000	151,200
31	10/1/14	308,000	145,000	3,123,000	3,576,000	158,550
32	11/1/14	236,000	152,000	3,279,000	3,667,000	135,800
33	12/1/14	120,000	146,000	3,145,000	3,411,000	93,100
34	1/1/15	28,000	122,000	3,720,000	3,870,000	52,500
35	2/1/15	5,000	71,000	2,451,000	2,527,000	26,600
36	3/1/15	-	15,000	100,000	115,000	5,250
37	4/1/15	-	-	100,000	100,000	-
38	5/1/15	-	-	100,000	100,000	-
39	6/1/15	-	-	100,000	100,000	-
40	7/1/15	-	-	53,000	53,000	-
Total		\$4,259,000	\$2,397,000	\$51,637,000	\$58,293,000	\$2,329,600

Interconnection Facilities Payment = (Interconnection Facilities Cost + Interconnection Facilities One-Time Cost) = \$4,259,000

Distribution Upgrades Payment = (Distribution Upgrades Cost + Associated One-Time Cost) = \$2,397,000

Reliability Upgrades Payment = (Reliability Upgrades Cost + Associated One-Time Cost) = \$51,637,000

Transmission Credit pursuant to Section 7 of this Appendix A = \$51,637,000

\* ITCC/Estimated Tax Liability will be provided by Interconnection Customer in accordance with Appendix A, Section 10.

18) **Other Potential Facilities:**

The Interconnection Customer understands and acknowledges that the Interconnection of the LEAPS Generating Facility is dependent upon certain network upgrades which are currently the cost responsibility of projects ahead of the LEAPS Generating Facility in the Participating TO's Interconnection Application queue. In the event; (i) a project in the queue ahead of the LEAPS Generating Facility is withdrawn from the queue, or (ii) it is determined by the Participating TO or the CAISO that some or all of the network upgrades currently assigned to earlier-queued projects are no longer required by such projects, the Interconnection Customer may be responsible for an additional amount, up to the maximum cost exposure of the network upgrades identified in this Section 19 of this Appendix A. Such additional other potential facilities or network upgrades are taken from the Interconnection Facilities Study.

~~The Interconnection Customer's revised cost responsibility for the network upgrades will be reflected in an amendment to the LGIA. Such amendment shall be subject to FERC acceptance or approval.~~

~~While the Interconnection Customer is currently responsible for the Network Upgrades identified in Section 2 of this Appendix A, the Interconnection Customer may be responsible for all or a portion of the following other network upgrades, under the conditions described above:~~

~~A. \_\_\_\_\_ Transmission:~~

~~1. \_\_\_\_\_ Etiwanda-San Bernardino 220 kV  
Transmission Line:~~

~~a. \_\_\_\_\_ Upgrade the line by eliminating line-to-ground clearance restrictions which presently limit the line rating to lesser values than those of the existing 2-1033KCMIL ACSR conductors.~~

~~b. \_\_\_\_\_ This upgrade requires the raising of two existing suspension lattice structures and the installation of one additional interest dead-end transmission pole.~~

~~c. \_\_\_\_\_ This work also requires the lowering of existing distribution circuits at five locations and the undergrounding of one segment of 66 kV line at one location where the line crosses over them and also the trimming of some trees at three locations.~~

~~2. \_\_\_\_\_ San Bernardino-Vista 220 kV Transmission  
Line:~~

~~a. \_\_\_\_\_ Upgrade the line by replacing 8.3 circuit miles of existing 2-1033KCMIL ACSR conductors with new 2-1590KCMIL ACSR. This includes the following modifications:~~

~~i. \_\_\_\_\_ Install two new double circuit lattice towers.~~

~~ii. \_\_\_\_\_ Replace eighteen double circuit lattice towers with similar structures.~~

~~b. \_\_\_\_\_ This work also requires the replacement of the existing hardware/insulator assemblies with new assemblies and polymer type insulators.~~

~~B. \_\_\_\_\_ Substation:~~

~~1. \_\_\_\_\_ Etiwanda Generating Station: Replace two 1200A disconnect switches on the San Bernardino 220 kV line position with 3000A rated equipment to support 60% of the highest contingency load of 3083A or 1855A.~~

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2. ~~San Bernardino Generating Station: Replace four 2000A disconnect switches on the Vista 220 kV line position with 3000A rated equipment to support 60% of the highest contingency load of 3745A or 2250A.~~

3. ~~Vista Substation: Replace four 2000A disconnect switches on the San Bernardino 220 kV line position with 3000A rated equipment to support 60% of the highest contingency load of 3745A or 2250A.~~

4. ~~Devers Substation:~~

a. ~~Replace seven 40kA, and one three-cycle 50 kV, 220 kV circuit breakers with new two-cycle 50 kA rated circuit breakers.~~

b. ~~Install three sets of TRV line-to-ground capacitors (total of nine units) to upgrade three 40 kA circuit breakers to 50 kA rating.~~

5. ~~Lewis Substation: Replace two 45.6 kA, 220 kV circuit breakers with new 50 kA rated circuit breakers.~~

6. ~~Lugo Substation:~~

a. ~~Replace three 50kA, 220 kV circuit breakers with new 63kA rated circuit breakers.~~

b. ~~Install four sets of TRV line-to-ground capacitors (total of twelve units) to upgrade two 50 kA circuit breakers to 63kA rating.~~

7. ~~Mira Loma Substation:~~

a. ~~Replace twelve 63 kA, 220 kV circuit breakers with new 80 kA rated circuit breakers.~~

b. ~~Upgrade the 220 kV switchyard to 80 kA rating.~~

c. ~~The scope of work for the switchyard upgrade has not been completed at this time. A scope of work and cost estimate has been prepared for the upgrade of a similar facility. At this time it is expected that the type of upgrades for this location would be very similar to those already scoped and estimated for the similar facility. Based on this assumption, it is expected that, in addition to the work shown in 7a and 7b above, the following additional upgrades would be required:~~

i. ~~Replace twelve 220kV circuit breakers.~~

ii. ~~Replace twenty four 220 kV disconnect switches.~~

iii. ~~Replace seven 220 kV surge arresters.~~

iv. ~~Replace all line and bank vertical risers with tubular conductors.~~

v. ~~Replace all 4/0 CU connectors to the ground grid with new 350 kCMIL ACSR.~~

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vi. \_\_\_\_\_ Install new sections of 350 kCMIL ACSR ground grid and connect to the existing 4/0 CU grid.

8. \_\_\_\_\_ Corporate Real Estate and Permits: Acquire new permits and rights-of-way for the upgrade of the Etiwanda-San Bernardino and San Bernardino-Vista 220 kV transmission lines.

The maximum cost exposure for the other potential facilities shall be as follows:

<b>Element</b>	<b>Other Potential Facilities Costs</b>
Etiwanda-San Bernardino 220 kV T/L upgrade to eliminate ground clearances	\$1,760,000
San Bernardino-Vista 220 kV T/L upgrade to 2-1590KCMIL ACSR	\$11,700,000
Etiwanda Gen. Sta. Line Equipment Upgrades	\$630,000
San Bernardino Gen. Sta. Line Equipment Upgrades	\$1,260,000
Vista Sub. Line Equipment Upgrades	\$1,260,000
Devers Sub. Replace 8 & upgrade 2 220 kV CBs	\$4,740,000
Lewis Sub. Replace 2 220 kV CBs	\$1,070,000
Lugo Sub. Replace 3 & upgrade 2 220 kV CBs	\$2,240,000
Mira-Loma Sub. Replace 12 220 kV CBS	\$8,430,000
Mira-Loma Sub. Upgrade 220 kV Switchyard to 80 kA rating	\$16,800,000
Corporate Real Estate upgrade two 220 kV transmission lines.	\$500,000
<b>Total</b>	<b>\$51,040,000</b>

**Appendix B**

**To LGIA**

**Milestones**

**1. Interconnection Customer's Selected Option:** Pursuant to Article 5.1 of the LGIA, the Interconnection Customer has selected the Standard Option.

**2. Milestone Dates: Table B1**

<b>Item</b>	<b>Milestone</b>	<b>Responsible Party</b>	<b>Due Date</b>
(a)	Submit proof of insurance coverage in accordance with Article 18.3 of the LGIA	Interconnection Customer	Within ten (10) Calendar Days of the execution of the LGIA
(b)	Submit written authorization to proceed with design and procurement of the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades to the Participating TO and CAISO pursuant to Article 5.5.2 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(c)	Submit security for the Participating TO's Interconnection Facilities, Distribution Upgrades, and Network Upgrades to the Participating TO pursuant to Articles 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date, or as shown in Table B.3 if Participating TO has elected the option pursuant to Section 20 of Appendix A.
(d)	Submit written authorization to proceed with construction to the Participating TO and CAISO pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within thirty (30) Calendar Days of the Effective Date
(e)	Submit security for the estimated tax liability to the Participating TO pursuant to Article 5.17.3 of the	Interconnection	Within thirty (30) Calendar Days of the Effective Date, or as shown in Table B.3 if Participating TO has elected the option pursuant to

	<u>LGIA</u>	<u>Customer</u>	<u>Section 20 of Appendix A.</u>
<u>(f)</u>	<u>Completion of the Participating TO's Interconnection Facilities, Distribution Upgrades and Network Upgrades.</u>	<u>Participating TO</u>	<u>Within fifty-two (52) months following the Effective Date.</u>
<u>(g)</u>	<u>Test of RTU and RTU telecom equipment and all cutovers</u>	<u>Participating TO</u>	<u>Within two (2) months following the Interconnection Customer's completion of the Interconnection Customer's Large Generating Facility and Interconnection Customer's Interconnection Facilities and completion by the Participating TO of the Participating TO's facilities as described in Appendix A of this LGIA. Note: final test of the RTU cannot occur until generator runs for approximately thirty days.</u>
<u>(h)</u>	<u>Submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including system protection facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA</u>	<u>Interconnection Customer</u>	<u>At least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date.</u>
<u>(i)</u>	<u>Initial information submission which shall include the Participating TO's Transmission System information necessary to allow the Interconnection Customer to select equipment, in accordance with Article 24.2 of the LGIA</u>	<u>Participating TO</u>	<u>At least one hundred eighty (180) Calendar Days prior to Trial Operation</u>

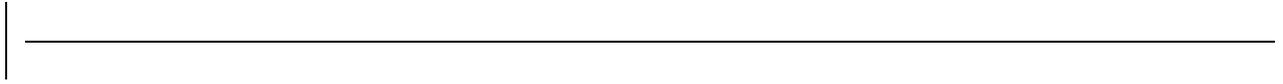
<u>(j)</u>	Updated information submission by the Interconnection Customer, including manufacturer information in accordance with Article 24.3 of the LGIA	Interconnection Customer	No later than one hundred eighty (180) Calendar Days prior to Trial Operation
<u>(k)</u>	Review of and comment on the Interconnection Customer's initial specifications as specified in Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of initial specifications
<u>(m)</u>	Submit final specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including system protection facilities, to the Participating TO and the CAISO as specified in Article 5.10.1 of the LGIA	Interconnection Customer	At least ninety (90) Calendar Days prior to the Initial Synchronization Date.
<u>(n)</u>	Review of and comment on the Interconnection Customer's final specifications as specified in Article 5.10.1 of the LGIA	Participating TO and CAISO	Within thirty (30) Calendar Days of the Interconnection Customer's submission of final specifications
<u>(o)</u>	Notification of Balancing Authority Area to the Participating TO and the CAISO pursuant to Article 9.2	Interconnection Customer	At least three (3) months prior to the Initial Synchronization Date of Project
<u>(p)</u>	Performance of a complete calibration test and functional trip test of the system protection facilities pursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	At least sixty (60) Calendar Days prior to the In-Service Date
<u>(q)</u>	In-Service Date	Interconnection Customer	October 1, 2013
<u>(r)</u>	Initial Synchronization Date	Interconnection Customer	October 1, 2013
<u>(s)</u>	Notification of operating communications and notifications information pursuant to Appendix F, of the LGIA	CAISO, Participating TO and Interconnection Customer	Prior to Initial Synchronization Date

<del>(t)</del>	<del>Trial Operation</del>	<del>Interconnection Customer</del>	<del>October 17, 2013</del>
<del>(u)</del>	<del>Performance of a complete calibration test and functional trip test of the system protection facilities pursuant to Article 9.7.4.6 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(v)</del>	<del>Testing of the Participating TO's Interconnection Facilities, Delivery Network Upgrades, Distribution Upgrades, and Network Upgrades and testing of the Interconnection Customer's Large Generating Facility and Interconnection Facilities in accordance with Article 6.1 of the LGIA</del>	<del>Interconnection Customer and Participating TO</del>	<del>At least sixty (60) Calendar Days prior to the Commercial Operation Date</del>
<del>(w)</del>	<del>Provide written approval to the Interconnection Customer for the operation of the Large Generating Facility in accordance with Article 6.1 of the LGIA</del>	<del>Participating TO</del>	<del>Within fifteen (15) Calendar Days prior to the Commercial Operation Date</del>
<del>(x)</del>	<del>Commercial Operation Date</del>	<del>Interconnection Customer</del>	<del>December 31, 2013</del>
<del>(y)</del>	<del>Submittal of "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Units in accordance with Article 5.10.3 of the LGIA to the Participating TO and the CAISO</del>	<del>Interconnection Customer</del>	<del>Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless otherwise agreed</del>

~~Note: The Interconnection Customer understands and acknowledges that such timelines are only estimates and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual beyond those specified.~~

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

~~If the Interconnection Customer suspends work pursuant to Article 5.16 of the LGIA, then all milestones for each Party set forth in this Appendix B shall be suspended during the suspension period.~~



## Appendix C

### To LGIA

#### Interconnection Details

**1. ~~Generating Facility:~~** All equipment and facilities comprising the LEAPS pumped storage generating facility in Lake Elsinore, California, as disclosed by the Interconnection Customer in its Interconnection Request and subsequent revisions to the Interconnection Request, which consists of a 500 MW generating facility comprising two, 250 MW Siemens generators, 2.5 MW auxiliary load for a net output capacity of 497.5 MW, 600 MW of pump load, step-up transformers, meters and metering equipment and appurtenant equipment (the “LEAPS Generating Facility”)

**2. ~~Interconnection Customer Operational Requirements.~~**

(a) Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the LEAPS Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the Participating TO's Tariff, the CAISO Tariff, and NERC requirements.

(b) The LEAPS Generating Facility shall be operated so as to prevent or protect against the following adverse conditions on the Participating TO's electric system: inadvertent and unwanted re-energizing of a utility dead line or bus; interconnection while out of synchronization; overcurrent; voltage imbalance; ground faults; generated alternating current frequency outside permitted safe limits; poor power factor or reactive power outside permitted limits; and abnormal waveforms.

**3. ~~Interconnection Principles:~~**

(a) This LGIA provides for interconnection of a total capacity of 500 MW of generation and 600 MW of pump load, resulting from the interconnection of the LEAPS Generating Facility, as described in Section 1 of this Appendix C. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of Interconnection capacity provided pursuant to this LGIA, the Interconnection Customer shall be required to submit a new Interconnection Request in accordance with the terms and conditions of the CAISO Tariff.

(b) The costs of any mitigation measures required to third party transmission systems resulting from the interconnection of LEAPS Generating Facility to the Participating TO's electrical system are not reflected in this LGIA. The Participating TO shall have no responsibility to pay costs associated with any such mitigation measures.

(c) In the event the Participating TO's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale Interconnection service provided herein, and the

~~Interconnection Customer fails to make payment for such retail service in accordance with the Participating TO's applicable retail tariffs, the Participating TO's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and other provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.~~

~~(d) \_\_\_\_\_ Review by the Participating TO of the electrical specifications, design, construction, operation, or maintenance of the LEAPS Generating Facility or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capability, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Participating TO of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Participating TO, is a representation by the Participating TO as to the economic or technical feasibility, operational capability, or reliability of the LEAPS Generating Facility or the Interconnection Customer's Interconnection Facilities.~~

~~(e) \_\_\_\_\_ Potential LGIA Operations Conflict  
Resolution:~~

~~(i) \_\_\_\_\_ Interconnection Customer has requested two points of interconnection for the LEAPS Generating Facility to the CAISO-Controlled Grid. The first point of interconnection is proposed to be with the system operated by San Diego Gas & Electric Company ("SDGE"). Interconnection Customer has previously entered into an interconnection agreement with CAISO and SDGE ("SDGE IA"). The second proposed point of interconnection is with the system operated by SCE.~~

~~(ii) \_\_\_\_\_ If both interconnections are established, then the Interconnection Customer will be subject to the SDGE IA and this LGIA, with respect to their respective points of interconnection set forth in each interconnection agreement. After the execution of this LGIA, the Parties agree to enter into good faith discussions, at mutually convenient times and places to be arranged by Interconnection Customer, to informally discuss potential conflicts that may arise from the operation of two interconnection agreements relating to the same generating facility; provided that the following two conditions are met: first, that in this agreement to meet obligates the Parties to prospectively resolve potential conflicts and, second, that SDGE also appears at these discussions. The Parties may appear telephonically in these meetings.~~

~~(iii) \_\_\_\_\_ In the event an actual conflict arises, the Parties agree to enter into good faith negotiations, at mutually convenient times and places to be arranged by Interconnection Customer, to address the resolution of such conflict; provided that the following two conditions are met: first, that nothing in this commitment to negotiate in good faith obligates the Parties to reach an agreement to resolve such conflict and, second, that SDGE also appears at these discussions. At these discussions, the Parties agree to undertake commercially reasonable efforts to enter into an agreement to address the manner in which such conflict, after it arises, is to be addressed.~~

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#### ~~4. Interconnection Operations:~~

~~(a) The Interconnection Customer shall cause the LEAPS Generating Facility to participate in any SPS required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and CAISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO or the CAISO, pursuant to this LGIA, for loss of generation output when (i) the LEAPS Generating Facility generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Participating TO will provide the Interconnection Customer advance notice of any required SPS.~~

~~(b) Following outages of the Interconnection Facilities or the LEAPS Generating Facility, the Interconnection Customer shall not energize the LEAPS Generating Facility for any reason without specific permission from the Participating TO's and the CAISO's operations personnel. Such permission shall not be unreasonably withheld.~~

~~(c) The Interconnection Customer shall maintain operating communications with the Participating TO's designated switching center. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, and levels of operating voltage and reactive power.~~

~~(d) **Compliance with Applicable Reliability Standards:** The Interconnection Customer shall comply with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the LEAPS Generating Facility. The Participating TO will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. If required to register with NERC, the Interconnection Customer shall be responsible for complying with all Applicable Reliability Standards for its Interconnection Customer's Interconnection Facilities and the LEAPS Generating Facility, up to the Point of Change of Ownership as described in Section 4 of Appendix A of this LGIA.~~

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**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.aiso.com/pubinfo/info-security/index.html>.

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**Appendix E**

**To LGIA**

**Commercial Operation Date**

This Appendix E is a part of the LGIA.

**[Date]**

Mr. Stephen Ruty  
Director, Grid Assets  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Mr. Robert Kott  
Manager, Model and Contract Implementation  
California Independent System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630

Mr. William Law  
Manager, Grid Contracts Management  
Southern California Edison Company  
P. O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770

Re: \_\_\_\_\_ Electric Generating Unit(s)

Dear Messrs, Ruty, Kott and Law:

On **[Date]** **Nevada Hydro Company** has completed Trial Operation of LEAPS Generating Facility Unit No. \_\_\_\_\_. This letter confirms that Nevada Hydro Company commenced Commercial Operation of LEAPS Generating Facility Unit No. \_\_\_\_\_ at the Electric Generating Unit, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**Nevada Hydro Company**

**c: Linda Wright (CAISO)**



**Appendix F  
To LGIA**

**Addresses for Delivery of Notices and Billings**

**Notices:**

1. ~~General Notices:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Ms. Linda Wright</del>	<del>Manager, Grid Contracts Management</del>	<del>Rexford Wait</del>
<del>250 Outcropping Way Folsom, CA 95630</del>	<del>P. O. Box 600 Rosemead, CA 91770</del>	<del>2416 Cades Way Vista, CA 90281</del>

2. ~~Operating Communications and Notifications:~~

~~The CAISO, Participating TO and the Interconnection Customer shall provide for operating communications through their respective designated representatives as follows:~~

~~The Parties agree to exchange the following information within ten (10) Calendar Days prior to the LEAPS Generation Facility's Initial Synchronization Date:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>CAISO Real Time Desk/24 Hour Telephone:</del>	<del>Grid Control Center/24 Hour Telephone:</del>	<del>*Operator Name and/or Title: Control Room Operator *24 Hour Telephone:</del>
<del>Alternate Phone:</del>		<del>*Operation Center Fax. No.: *E-mail:</del>

3. ~~Operational Matters, Force Majeure, and Outage Notices:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name:</del>	<del>Name/Title:</del>	<del>Name/Title:</del>
<del>Phone:</del>	<del>Phone:</del>	<del>Phone:</del>

4. ~~For Emergencies:~~

<del>CAISO</del>	<del>Participating TO</del>	<del>Interconnection Customer</del>
<del>Name:</del>	<del>Name/Title:</del>	<del>Name/Title:</del>

Phone:	Phone:	Phone:
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5. \_\_\_\_\_ Billing and Payments:

CAISO	Participating TO	Interconnection Customer
Finance Dept.	Manager, Grid Contracts Management	Title:
Mr. Dennis Estrada		Name:
250 Outcropping Way Folsom, CA 95630	P. O. Box 600 Rosemead, CA 91770	Address:

6. \_\_\_\_\_ Alternate Forms of Delivery of Notices  
(telephone, facsimile or e-mail):

CAISO	Participating TO	Interconnection Customer
<a href="mailto:lwright@caiso.com">lwright@caiso.com</a>	Manager, Grid Contracts Management	Name/Title:
	Tel: (626) 302-9640 Fax: (626) 302-1152	Phone:

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

**[Not Used]**

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## **Appendix H To LGIA**

### **INTERCONNECTION REQUIREMENTS FOR AN ASYNCHRONOUS GENERATING FACILITY**

Appendix H sets forth interconnection requirements specific to all Asynchronous Generating Facilities. Existing individual generating units of an Asynchronous Generating Facility that are, or have been, interconnected to the CAISO Controlled Grid at the same location are exempt from the requirements of this Appendix H for the remaining life of the existing generating unit. Generating units that are replaced, however, shall meet the requirements of this Appendix H.

#### **A. Technical Requirements Applicable to Asynchronous Generating Facilities**

##### **i. Low Voltage Ride-Through (LVRT)**

###### **Capability**

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

1. An Asynchronous Generating Facility shall remain online for the voltage disturbance caused by any fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, having a duration equal to the lesser of the normal three-phase fault clearing time (4-9 cycles) or one-hundred fifty (150) milliseconds, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum normal clearing time associated with any three-phase fault location that reduces the voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

2. An Asynchronous Generating Facility shall remain online for any voltage disturbance caused by a single-phase fault on the transmission grid, or within the Asynchronous Generating Facility between the Point of Interconnection and the high voltage terminals of the Asynchronous Generating Facility's step up transformer, with delayed clearing, plus any subsequent post-fault voltage recovery to the final steady-state post-fault voltage. Clearing time shall be based on the maximum backup clearing time associated with a single point of failure (protection or breaker failure) for any single-phase fault location that reduces any phase-to-ground or phase-to-phase voltage at the Asynchronous Generating Facility's Point of Interconnection to 0.2 per-unit of nominal voltage or less, independent of any fault current contribution from the Asynchronous Generating Facility.

~~3. \_\_\_\_\_ Remaining on-line shall be defined as continuous connection between the Point of Interconnection and the Asynchronous Generating Facility's units, without any mechanical isolation. Asynchronous Generating Facilities may cease to inject current into the transmission grid during a fault.~~

~~4. \_\_\_\_\_ The Asynchronous Generating Facility is not required to remain on line during multi-phased faults exceeding the duration described in Section A.i.1 of this Appendix H or single-phase faults exceeding the duration described in Section A.i.2 of this Appendix H.~~

~~5. \_\_\_\_\_ The requirements of this Section A.i of this Appendix H do not apply to faults that occur between the Asynchronous Generating Facility's terminals and the high side of the step-up transformer to the high-voltage transmission system.~~

~~6. \_\_\_\_\_ Asynchronous Generating Facilities may be tripped after the fault period if this action is intended as part of a special protection system.~~

~~7. \_\_\_\_\_ Asynchronous Generating Facilities may meet the requirements of this Section A.i of this Appendix H through the performance of the generating units or by installing additional equipment within the Asynchronous Generating Facility, or by a combination of generating unit performance and additional equipment.~~

~~8. \_\_\_\_\_ The provisions of this Section A.i of this Appendix H apply only if the voltage at the Point of Interconnection has remained within the range of 0.9 and 1.10 per-unit of nominal voltage for the preceding two seconds, excluding any sub-cycle transient deviations.~~

~~The requirements of this Section A.i in this Appendix H shall not apply to any Asynchronous Generating Facility that can demonstrate to the CAISO a binding commitment, as of July 3, 2010, to purchase inverters for thirty (30) percent or more of the Generating Facility's maximum Generating Facility Capacity that are incapable of complying with the requirements of this Section A.i in this Appendix H. The Interconnection Customer must include a statement from the inverter manufacturer confirming the inability to comply with this requirement in addition to any information requested by the CAISO to determine the applicability of this exemption.~~

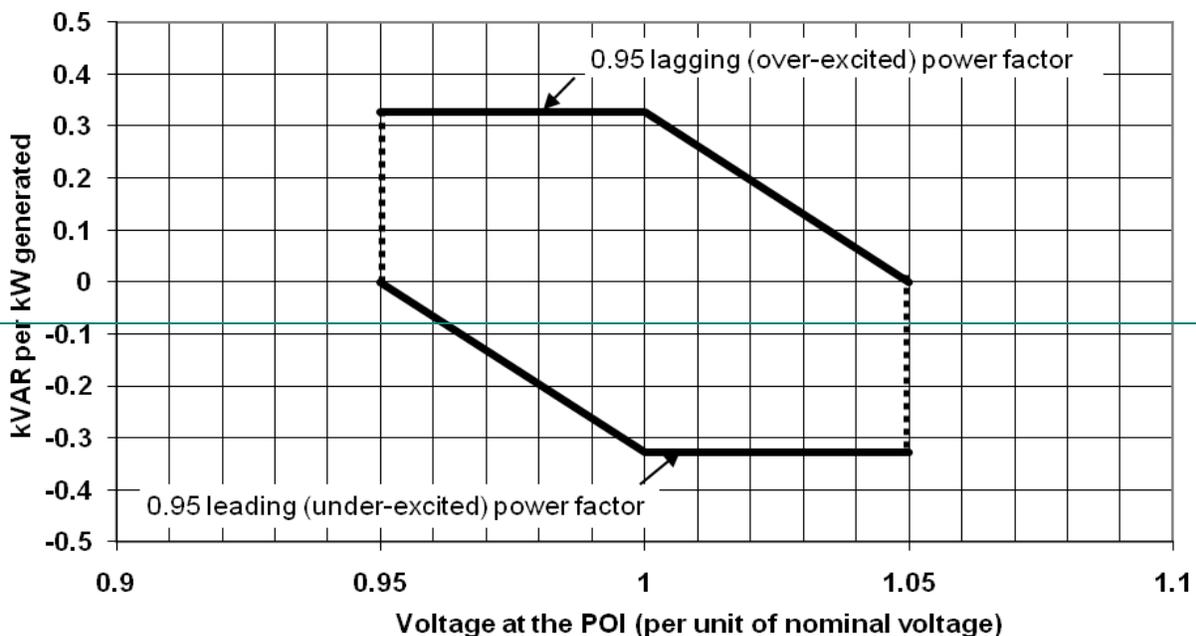
## ~~ii. Frequency Disturbance Ride-Through Capability~~

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

## ~~iii. Power Factor Design Criteria (Reactive Power)~~

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1. ~~An Asynchronous Generating Facility shall operate within a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this 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 Asynchronous Generating Facility is in operation. Asynchronous Generating Facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the Phase II Interconnection Study shows this to be required for system safety or reliability.~~



#### **iv. Supervisory Control and Data Acquisition (SCADA) Capability**

~~An Asynchronous Generating Facility shall provide SCADA capability to transmit data and receive instructions from the Participating TO and CAISO to protect system reliability. The Participating TO and CAISO and the Asynchronous Generating Facility Interconnection Customer shall determine what SCADA information is essential for the proposed Asynchronous Generating Facility, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability.~~

**v. Power System Stabilizers (PSS)**

Power system stabilizers are not required for Asynchronous Generating Facilities.

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