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October 22, 2008

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

**Re: Southern California Edison Company
Docket No. ER07-1034-002
Joint Stipulation of Documents and Facts
Request for CEII Treatment**

Dear Secretary Bose:

Pursuant to the Presiding Judge's "Order Establishing Procedural Schedule," issued on September 12, 2008 in the above-referenced docket, the California Independent System Operator Corporation ("CAISO"), on behalf of the active parties to this proceeding,¹ submits the attached Joint Stipulation of Documents and Facts, along with nine documents labeled as Exhibits JST-1 through JST-9, which the active parties agree should be admitted into evidence in this proceeding.

Pursuant to 18 C.F.R. Sections 388.112 and 388.113, the CAISO, on behalf of the active parties, is requesting that five of the attached Exhibits be treated as Critical Energy Infrastructure Information ("CEII"), specifically, Exhibits JST-2, JST-3, JST-4, JST-6 and JST-7. Such treatment is warranted for these documents because they contain sensitive information relating to Southern California Edison's transmission system, including detailed system drawings and identification of system vulnerabilities.

¹ The active parties consist of the CAISO, Southern California Edison Company, and Green Borders Geothermal, LLC. The Commission's Trial Staff also agrees to the enclosed Joint Stipulation of Documents and Facts.

Respectfully submitted,

Baldassaro Di Capo
Counsel
The California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Telephone: (916) 608-7157

/s/ Michael Kunselman

Michael Kunselman
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Counsel for the California Independent System
Operator Corporation

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southern California Edison Company) Docket No. ER07-1034-002

**JOINT STIPULATION OF DOCUMENTS AND
FACTS**

Pursuant to the Presiding Judge’s September 12, 2008 “Order Establishing Procedural Schedule,” the California Independent System Operator Corporation (“CAISO”), on behalf of the active parties to this proceeding,¹ submits the attached documents (labeled as Exhibits JST-1 through JST-9), which the active parties agree should be admitted into evidence in this proceeding. In addition, the active parties stipulate to the following facts:

1. On February 22, 2005, Green Borders Geothermal, LLC (“Green Borders”) applied for the interconnection of a proposed 62 MW geothermal generating facility (hereinafter referred to as the “Green Borders Project” or “GBGP”), to be located in Mineral County, Nevada, which request was governed by Section 5.7 of the CAISO Tariff.² This application is included in the attached documents as Exhibit JST-1.

2. The method of service for GBGP provides for the facility to connect to the CAISO Controlled Grid at Southern California Edison’s (“SCE”) 115 kV bus at the SCE substation known as the “Control Substation,” which is looped in to the Inyokern-Haiwee-Control-Inyo 115kV Transmission Line. Electrically, this area is known as the “North of Lugo Substation area.” Control Substation is located in the northern portion of Inyo County, California. The connection will be accomplished through two major components:

¹ The active parties consist of the CAISO, Southern California Edison Company, and Green Borders Geothermal, LLC. The Commission’s Trial Staff also agrees to this Joint Stipulation of Documents and Facts.

² Per subsequent revisions to the CAISO Tariff, Section 5.7 became Section 25.

- a. A new 12-mile 230 kV generation tie line will be constructed running from the GBGP to the existing non-SCE owned Dixie Valley-Oxbow 230 kV transmission line, which connects to the CAISO Controlled Grid at SCE's Control Substation. This new tie line would be owned by Green Borders;
 - b. Green Borders would also construct and own a new "Aurora" Substation/switching station located adjacent to the Dixie Valley-Oxbow line. The Dixie Valley-Oxbow line would be looped in and out of the new Aurora station.
3. On July 5, 2005, SCE published a System Impact Study ("SIS"), which identified that the GBGP triggered potential overload condition and indicated that upgrades were required to accommodate the GBGP interconnection. The SIS is included in the attached documents as Exhibit JST-2.
4. On April 4, 2006, SCE published a Technical Study (known as a Technical Assessment" or "TAS") ("TAS I") to analyze the load flows resulting from interconnection of GBGP. This study evaluated the impact of the upgrades recommended in the July 5, 2005 SIS. The TAS I is included in the attached documents as Exhibit JST-3.
5. On June 16, 2006, SCE published a Facilities Study, which provided a scope of work and cost summary for the Interconnection Facilities and System Upgrades that had been identified in the Technical Study dated April 4, 2006. Per this study, the costs for Interconnection Facilities and Network Upgrades were estimated at \$215,0000 and \$217,442,000 respectively, with an estimated \$75,000 in Income Tax Component Contribution. This study is included in the attached documents as Exhibit JST-4.
6. On December 16, 2006, SCE tendered a proposed Large Generator Interconnection Agreement ("LGIA") to Green Borders and the CAISO.
7. On June 14, 2007, at Green Borders' direction, the CAISO and SCE filed with the Commission in Docket No. ER 07-1034 an unexecuted LGIA pertaining to the GBGP interconnection. Green Borders protested the unexecuted LGIA and on August 10, 2007, the Commission issued an "Order Accepting and Suspending Large Generator Interconnection Agreement and Establishing Hearing and Settlement Judge Procedures,"

which accepted the proposed agreement for filing and made it effective August 14, 2007, subject to refund.

8. From September 2007 through June 2008, SCE, Green Borders, and the CAISO, and FERC Commission Trial Staff participated in settlement discussions pursuant to Settlement Judge Procedures established by the Commission in Docket No. ER07-1034-000. These discussions were facilitated by Judge Bruce L. Birchman, designated by the Commission to act as Settlement Judge in the proceeding.

9. As a result of these settlement discussions, SCE, Green Borders and the CAISO agreed that SCE would restudy the interconnection request for GBGP in order to explore whether enhanced congestion management protocols to be implemented as part of the CAISO's Market Redesign and Technology Upgrade ("MRTU") could be utilized as an alternative to certain transmission upgrades originally identified in the TAS I and Facilities Studies.

10. On December 12, 2007, the CAISO published, in coordination with SCE, a second TAS ("TAS II") which concluded that, although Network Upgrades would still be required to safely and reliably interconnect the GBGP to the CAISO Controlled Grid, many of the Network Upgrades identified in the original TAS would no longer be required, given the improved MRTU congestion protocols, if tripping of the GBGP could be incorporated into the existing Special Protection Schemes ("SPSs") at the Bishop, Kramer and High Desert facilities. The TAS II study is included in the attached documents as Exhibit JST-6.

11. The CAISO, Green Borders and SCE reviewed the findings of the TAS II and agreed with the study's conclusions.

12. On April 3, 2008, the CAISO released a revised Facilities Study referenced as "Facilities Study—Revision 1," which provided the scope of work and cost estimate for the upgrades identified in the TAS II. This study is included in the attached documents as Exhibit JST-7.

13. On July 30, 2008, SCE filed with the Commission an Offer of Partial Settlement between the CAISO, SCE and Green Borders ("Offer of Settlement"). In that Offer of Settlement, the parties were able to resolve all open issues except for whether telecommunication facilities identified in the TAS II and revised Facilities Study should

be classified as Interconnection Facilities or Network Upgrades. The parties agreed to set this issue for hearing.

14. The communication facilities at issue consist of the following:
 - a. An approximately sixty-eight mile fiber optic cable, to run between Control Substation and the proposed Aurora Substation.
 - b. Microwave facilities to be installed at the proposed Aurora Substation, as well as three communication sites owned by the Los Angeles Department of Water and Power – Aurora Peak, South Benton Range, and Poleta Canyon.

15. The estimated cost of the communications facilities at issue is \$20,058,000.

16. The communication facilities are required to monitor and control the circuit breakers at the proposed Aurora Switchyard and at the Large Generator’s switchyard, such that in cases of emergency, the GBGP can be isolated from the grid, without disturbing service to the other generator on the non-SCE owned Dixie Valley – Oxbow Transmission Line.

17. On August 27, 2008, Judge Birchman issued his “Certification of Partial Uncontested Settlement” in Docket ER07-1034-001, determining the Offer of Settlement to be reasonable and in the public interest.

18. The active parties and Trial Staff agree that the following attached documents should be accepted into the record of this proceeding:

Exhibit No.	Document	Date
JST-1	Green Borders’ Interconnection Application	2/22/2005
JST-2	System Impact Study for Green Borders	7/5/2005
JST-3	Technical Assessment for Green Borders	4/4/2006
JST-4	Facilities Study for Green Borders	6/16/2006
JST-5	Agreement and Study Plan relating to Technical Assessment II for Green Borders	9/18/2007
JST-6	Technical Assessment II for Green Borders	12/12/2007
JST-7	Facilities Study – Revision I for Green Borders	4/3/2008

JST-8	First Revised Unexecuted LGIA for Green Borders	7/30/2008
JST-9	One-Line Diagram of GBGP Interconnection	No date

Respectfully submitted,

Baldassaro Di Capo
Counsel
The California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Telephone: (916) 608-7157

/s/ Michael Kunselman
Michael Kunselman
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, DC 20004
Tel: (202) 756-3300

Counsel for the California Independent System
Operator Corporation

Dated: October 22, 2008

CERTIFICATE OF SERVICE

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

Dated at Washington, D.C. this 22nd day of October, 2008.

/s/ Daniel Klein
Daniel Klein



VULCAN POWER COMPANY

1183 NW Wall Street, Suite G Bend, OR 97701 (541) 317-1984

2/22/05

By Email

Judy Nickel
New Resource Interconnections
California ISO
151 Blue Ravine Road
Folsom, CA 95630

**RE: REVISED 62 MW Generator Interconnection Application
Green Borders Geothermal Project**

Dear Judy,

During the discussions of Vulcan Power and Donna Jordan on 2/18/05, Ms. Jordan requested that Vulcan provide additional and/or revised information regarding its ISO application dated 2/3/05. Accordingly, please find attached a copy of the newly **REVISED 62 MW** Generator Interconnection Application Form from the Green Borders Geothermal Project located in Mineral County, Nevada.

To avoid confusion, we are submitting the revised application and all figures. Thank you.

A Good Faith Deposit was previously wired in the amount \$10,000 on 1/25/05. Our confidentiality request also applies to this revised document.

Please feel free to contact us if there are any questions regarding our project or this application. Thank you.

Cordially

Steve Munson, CEO

cc: Ms. Donna Jordan, CAISO
Mr. Lawren Minor, SCE
Mr. Steve Rupp, RW Beck
Mr. Kevin McSpadden, Esq., Milbank Tweed



CALIFORNIA ISO

Generator Interconnection Application Form

The following form is to be filled out for generators that intend to interconnect to the ISO grid. **Three copies** of the completed Application should be sent to:

Judy Nickel
 New Resource Interconnections
 California ISO
 P.O. Box 639014
 Folsom, CA 95763-9014

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

It is important that the data provided via this form is accurate. Additional transmission system facility costs, associated with changes in facility requirements, that are due to differences between model data provided by the generation developer and the actual generator test data, may be the responsibility of the generation developer.

1. General Project Information

- A. Project Name: Green Borders Geothermal Project – 62 MW
- B. Project Location:
 Street Address: 17 Miles S/W of Hawthorne, NV
 City, State: Mineral County, NV
 Zip Code: 89415
- C. Proposed Testing date: Phase I – 2/1/07, Phase II – 2/1/08
 Proposed Commercial Operation date: Phase I – 5/1/07, Phase II – 5/1/08
 Proposed Term of Service: 20 Years
- D. Type of Project
 Cogeneration: _____ Reciprocating Engine : _____
 Biomass: _____ Steam Turbine: _____
 Gas Turbine: _____ Wind: _____
 Hydro: _____ Photovoltaic: _____
 Combined Cycle: _____
 Other (please describe): Geothermal

E: Total Generator rated output (kW): 65,000 Phase I – 32,500 kW, Phase II – 32,500 kW
 Individual generator rated output (kW for each unit): 32,500

Generator auxiliary load (kW): 3,000

Project net capacity (kW): 62,000 kW

Standby load when generator is off-line (kW): 1,500 kW

F. The interconnection point(s) and the location of interconnection:
Bishop – Control Substation

G. Project Developer

Name: Green Borders Geothermal, LLC

Street Address: 1183 NW Wall Street, Suite G

City, State: Bend, OR

Zip Code: 97701

Phone Number: (541) 317-1984

Fax Number: (541) 317-2879

Email Address: smunson@vulcanpower.com

H. Site Owner

Name: US BLM

Street Address: _____

City, State: _____

Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

I. Person Responsible for completing this Application

Name: Steve Munson

Title: CEO

Company Name: Green Borders Geothermal, LLC

Street Address: 1183 NW Wall Street, Suite G

City, State: Bend, OR

Zip Code: 97701

Phone Number: (541) 317-1984

Fax Number: (541) 317-2879

Email Address: smunson@vulcanpower.com

Signature: 

Date: 2/22/05 (originally filed 2/3/05)

2. **Provide two original prints and one reproducible copy (no larger than 36" x 24") of the following:**

- A. Site drawing to scale, showing generator location and point of interconnection with the ISO Grid. (See Figure 1)
- B. Single-line diagram showing applicable equipment such as generating units, step-up transformers, auxiliary transformers, switches/disconnects of the proposed interconnection, including the required protection devices and circuit breakers. For wind generator farms, the one line diagram should include the distribution lines connecting the various groups of generating units, the generator capacitor banks, the step up transformers, the distribution lines, and the substation transformers and capacitor banks at the point of interconnection with the utility. (See Figure 2)

3. **Generator Information**

- A) Number of Generators: 2
(Please repeat the following items for each generator)
- B) Manufacturer: Brush Electrical Machine, Ltd.
- C) Year Manufactured: New
- D) Nominal Terminal Voltage: 13.8 kV
- E) Rated Power Factor (%): 0.85
- F) Type (Induction, Synchronous, D.C. with Inverter): Synchronous
- H) Phase (3phase or single phase): 3
- I) Connection (Delta, Grounded WYE, Ungrounded WYE, impedance grounded): Grounded Wye
- J) Generator Voltage Regulation Range: +/- 0.5%
- K) Generator Power Factor Regulation Range: TBD
- L) For combined cycle plants, specify the plant output for an outage of the steam turbine or an outage of a single combustion turbine: N/A

4. **Synchronous Generator – General Information:**

(Please repeat the following for each generator)

- A. Rated Generator speed (rpm): 3,600
- B. Rated MVA: 32.5
- C. Rated Generator Power Factor: 0.85
- D. Generator Efficiency at Rated Load (%): 97.9%
- E. Moment of Inertia (including prime mover): 423 kg.m²
- F. Inertia Time Constant (on machine base) H: 0.75 sec or KW secs/KVA
- G. SCR (Short-Circuit Ratio - the ratio of the field current required for rated open-circuit voltage to the field current required for rated short-circuit current): 0.44

- J. Please attach generator reactive capability curves.
- K. Rated Hydrogen Cooling Pressure in psig (Steam Units only): N/A
- L. Please attach a plot of generator terminal voltage versus field current that shows the air gap line, the open-circuit saturation curve, and the saturation curve at full load and rated power factor.

6. Excitation System Information

(Please repeat the following for each generator)

A. Indicate the Manufacturer Brush Electrical Machines, Ltd. and Type BX10.13 of excitation system used for the generator. For exciter type, please choose from 1 to 8 below or describe the specific excitation system.

- 1) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is independent of the generator terminal voltage and current.
- 2) Rotating DC commutator exciter with continuously acting regulator. The regulator power source is bus fed from the generator terminal voltage.
- 3) Rotating DC commutator exciter with non-continuously acting regulator (i.e., regulator adjustments are made in discrete increments).
- 4) Rotating AC Alternator Exciter with non-controlled (diode) rectifiers. The regulator power source is independent of the generator terminal voltage and current (not bus-fed).
- 5) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers. The regulator power source is fed from the exciter output voltage.
- 6) Rotating AC Alternator Exciter with controlled (thyristor) rectifiers.
- 7) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from the generator terminal voltage.
- 8) Static Exciter with controlled (thyristor) rectifiers. The regulator power source is bus-fed from a combination of generator terminal voltage and current (compound-source controlled rectifiers system).

B. Attach a copy of the block diagram of the excitation system from its instruction manual. The diagram should show the input, output, and all feedback loops of the excitation system. (See Attached)

- C. Excitation system response ratio (ASA): 2.9 secs⁻¹
- D. Full load rated exciter output voltage: 139 VDC
- E. Maximum exciter output voltage (ceiling voltage): 310 VDC

- 1.) Turbine efficiency at rated load: _____ %
- 2.) Length of penstock: _____ ft
- 3.) Average cross-sectional area of the penstock: _____ ft²
- 4.) Typical maximum head (vertical distance from the bottom of the penstock, at the gate, to the water level): _____ ft
- 5.) Is the water supply run-of-the-river or reservoir: _____
- 6.) Water flow rate at the typical maximum head: _____ ft³/sec
- 7.) Average energy rate: _____ kW-hrs/acre-ft
- 8.) Estimated yearly energy production: _____ kW-hrs

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

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

 - c: Other comments regarding the turbine governor system?

9. Synchronous Generator and Associated Equipment – Dynamic Models:

(See attached)

For each Generator, governor, exciter and power system stabilizer, select the appropriate dynamic model from the General Electric PSLF Program Manual and provide the required input data. The manual is available on the GE website at:

https://quickplace01.geextranet.com/QuickPlace/psec_ge_pslf/PageLibrary85256A2A00654741.nsf/h_Index/5F812CDC8192571285256A3B00693C43/?OpenDocument.

The models are listed alphabetically in Table 3.2 and by model type in Table 3.3. These tables are in Section 3.10.3 of the manual. Links to these tables are provided in the Program Manual's Table of Contents. There are links in the tables to a detailed description of the specific model, a definition of each parameter, a list of the output channels, explanatory notes, and a control system block diagram. The block diagrams are also available on the Ca-ISO website.

If you require assistance in developing the models, we suggest you contact General Electric (John Burns 518-385-8150). Accurate models are important to

obtain accurate study results. Costs associated with any changes in facility requirements that are due to differences between model data provided by the generation developer and the actual generator test data, will normally be the responsibility of the generation developer.

10. Induction Generator Data: N/A

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

11. Generator Short Circuit Data

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

- X¹ – positive sequence subtransient reactance: 0.210
- X² – negative sequence subtransient reactance: 0.205
- X⁰ – zero sequence subtransient reactance: 0.105

Generator Grounding:

- A. X Solidly grounded
 B. _____ Grounded through an impedance

Impedance value in p.u. on generator base: R: _____ p.u.
 X: _____ p.u.

- C. _____ Ungrounded

12. Step-Up Transformer Data

For each step-up transformer, fill out the data form provided in Table 1.
 (See Table 1 for Generator Step-up Transformer Data)

13. Line Data

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

Nominal Voltage: 230 kV
 Line Length (miles): 12 miles

Line termination Points: Green Borders Switchyard (new) and Green Borders Tap Switchyard (new)

Conductor Type: ACSR Size: 954 kcmil _____,

If bundled : Number per phase: 1, Bundle spacing _____ in.

Phase Configuration: Vertical _____, Horizontal: X

Phase Spacing (ft): A-B 10, B-C 10, C-A: 10

Distance of lowest conductor to Ground: 45 ft (Typ)

Ground Wire Type: OPGW Size: 185 mm Distance to Ground: 65 ft (Typ)

Attach Tower Configuration Diagram (See Figure A)

Summer line ratings in amperes (normal and emergency) 1245/1245

Resistance (R): 0.0001948 p.u.**

Reactance: (X): 0.0013271 p.u.**

Line Charging (B/2): 0.0032549 p.u.**

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

14. Will the Participating Transmission Owner be responsible for conducting the System Impact Study and Facility Study or will the project proponent be utilizing another party to complete these studies? _____ PTO
-

TABLE 1

TRANSFORMER DATA

UNIT Green Border Geothermal Project Generator Step-Up Transformer
(Detailed data is not known at this time)

NUMBER OF TRANSFORMERS 2 PHASE 3

RATED KVA:	H Winding	X Winding	Y Winding
30/40/50 MVA OA/FA/FA			
Connection (Delta, Wye, Gnd.)	Delta	Wye	N/A
55 C Rise	_____	_____	_____
65 C Rise	<u>X</u>	_____	_____
RATED VOLTAGE	230-kV	13.8-kV	_____
BIL	<u>TBD</u>	<u>TBD</u>	_____
AVAILABLE TAPS (planned or existing)	<u>+/- 2-1/2 %</u>	<u>None</u>	_____
LOAD TAP CHANGER?	<u>No</u>	<u>No</u>	_____
TAP SETTINGS	_____	_____	_____
COOLING TYPE: OA _____ OA/FA _____ OA/FA/FA <u>X</u> OA/FOA _____			
IMPEDANCE	H-X	H-Y	X-Y
Percent	<u>7.5</u>	_____	_____
MVA Base	<u>100</u>	_____	_____
Tested Taps	<u>TBD</u>	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	<u>0</u>	<u>0</u>	_____
CURRENT TRANSFORMER RATIOS			
H _____ TBD X <u>TBD</u> Y _____ N _____			
PERCENT EXCITING CURRENT 100 % Voltage; <u>TBD</u> 110% Voltage <u>TBD</u>			

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

TABLE 1

TRANSFORMER DATA

UNIT Green Border Geothermal Project New Oxbow-Control 230/115-kV Transformer
(Detailed data is not known at this time)

NUMBER OF TRANSFORMERS 1 PHASE 3

RATED KVA:	H Winding	X Winding	Y Winding
200 MVA OA			
Connection (Delta, Wye, Gnd.)	Delta	Wye	N/A
55 C Rise	_____	_____	_____
65 C Rise	<u>X</u>	_____	_____
RATED VOLTAGE	230-kV	115-kV	_____
BIL	<u>TBD</u>	<u>TBD</u>	_____
AVAILABLE TAPS (planned or existing)	<u>+/- 2-1/2 %</u>	<u>None</u>	_____
LOAD TAP CHANGER?	<u>No</u>	<u>No</u>	_____
TAP SETTINGS	_____	_____	_____
COOLING TYPE: OA <u>X</u> OA/FA _____ OA/FA/FA _____ OA/FOA _____			
IMPEDANCE	H-X	H-Y	X-Y
Percent	<u>6.0</u>	_____	_____
MVA Base	<u>100</u>	_____	_____
Tested Taps	<u>TBD</u>	_____	_____
WINDING RESISTANCE	H	X	Y
Ohms	<u>0</u>	<u>0</u>	_____
CURRENT TRANSFORMER RATIOS			
H _____ TBD X _____ TBD Y _____ N _____			
PERCENT EXCITING CURRENT 100 % Voltage; <u>TBD</u> 110% Voltage <u>TBD</u>			

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

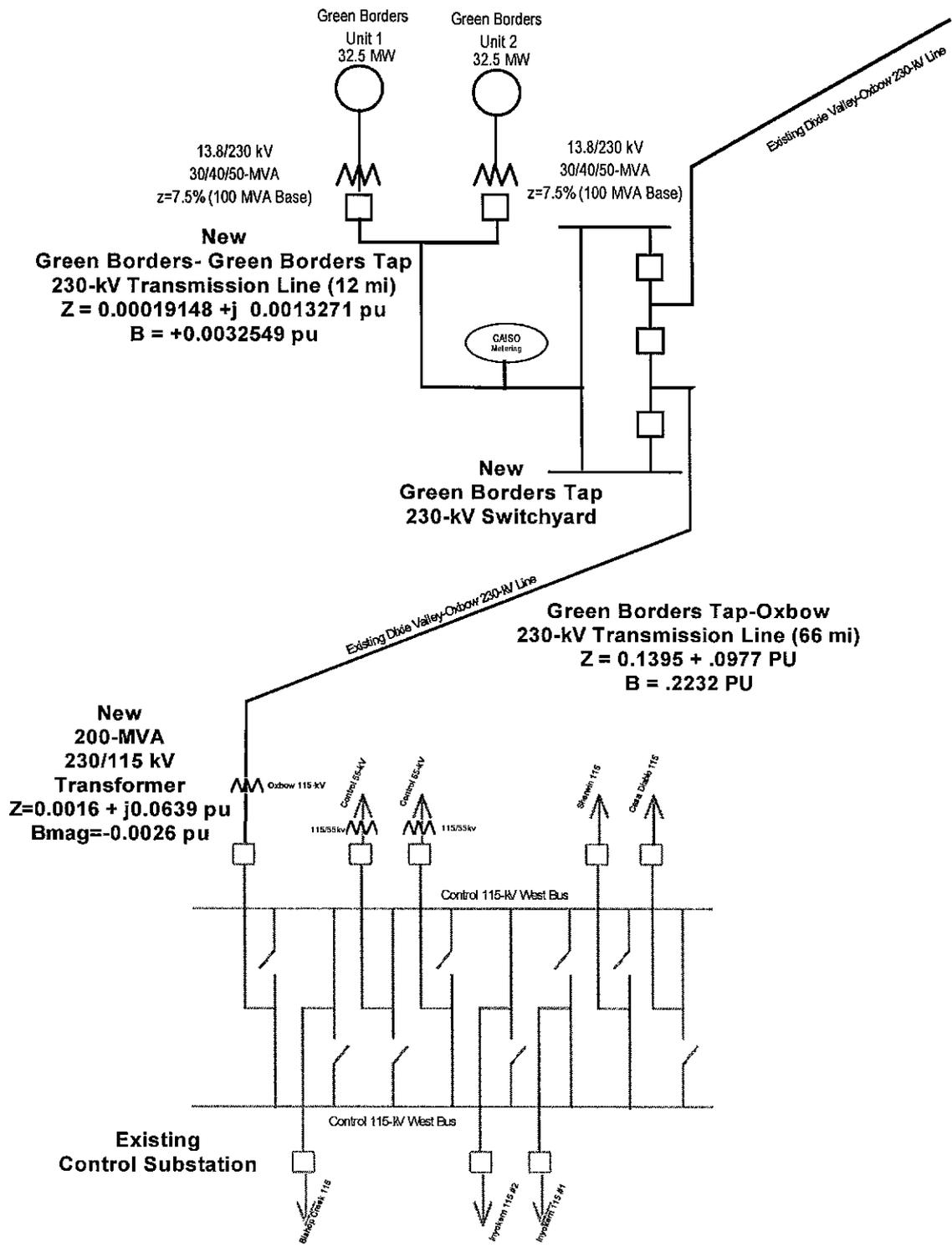


Figure 2 -- Single Line Diagram
Green Borders Geothermal Project
60-MW Interconnection Concept
Vulcan Power Company

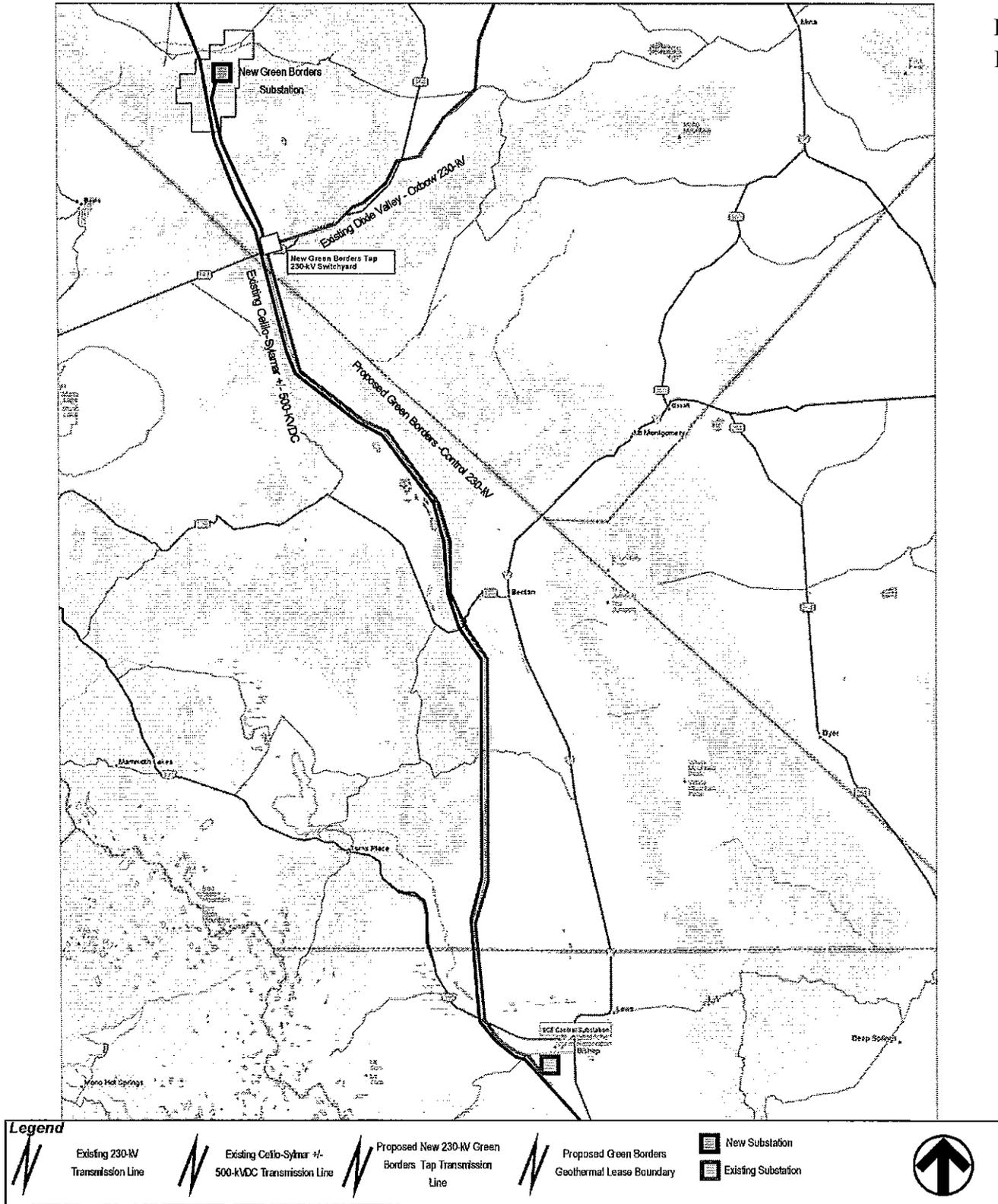
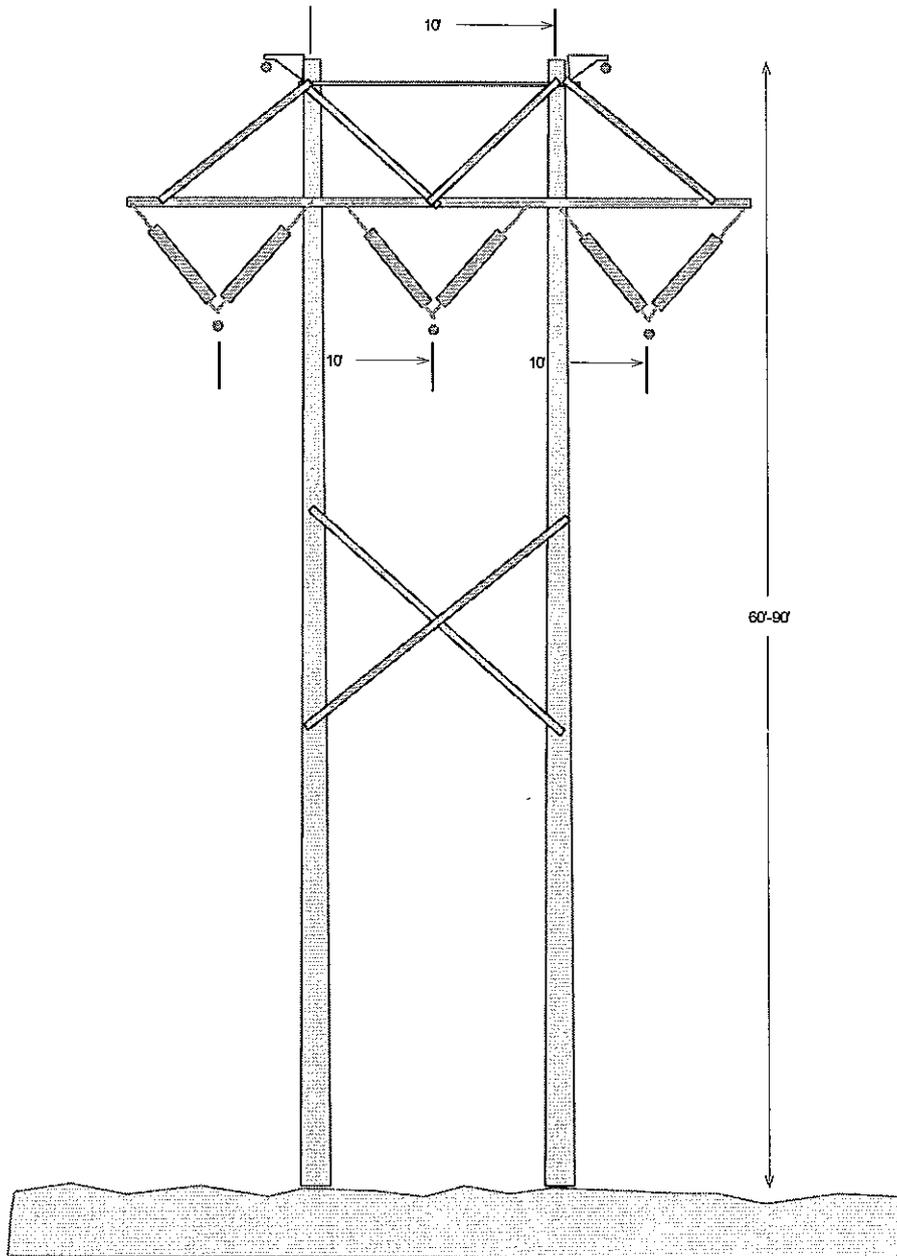


Figure 1 -- Project Location
PROPOSED AND EXISTING ELECTRICAL TRANSMISSION FACILITIES
Green Borders Geothermal Project -- Vulcan Power Company



Structure Material: Douglas Fir or similar wood poles
Structure Height: 60 - 90 feet
Conductor Size/Type : 954-kcmil ACSR or similar
Span Length: 400-800 ft depending on terrain
Right-of-Way Width: 80 - 100 feet
Static Wire: 7/8" Steel w/ Fiber Optic Core (OPGW)

Figure 3
Typical 230-kV Tangent Transmission Structure
Green Borders Geothermal Power Project
Vulcan Power Company

LGIP Funds Submittal Form

To: Melodie Iverson/ Natalie McAfee
cc: Nancy Musick

From: June Baeber Exh. No. JST-5
Page 1 of 17

Project Name: Green Borders II Project Date Received: 9/26/07

Project #: _____ Total Wire/Check Amount: \$ 25,000

Allocation:

- \$10K Initial Deposit
- \$10K Deposit in Lieu of Site Control
- \$10K Feasibility Study Deposit
- \$50K System Impact Study Deposit
- \$100K Facilities Study Deposit
- Other: Technical Assessment II Study

<p>VULCAN POWER COMPANY GENERAL ACCOUNT 345 SW Cyber Drive, Ste 103 Bend, Oregon 97702 541-317-1984</p>	<p>9547 24-680/1230 3222 0419613989</p>
DATE <u>9/10/07</u>	
PAY TO THE ORDER OF <u>California cl do</u> \$ <u>25,000.00</u>	
<u>Twenty-five thousand and 00/100</u> DOLLARS	
<p> Wells Fargo Bank, N.A. Oregon wells Fargo.com</p>	<p><u>Kepler Musick</u> IVP</p>
FOR <u>Facility Study for Green Borders</u>	
⑈0000009547⑈ ⑆123006800⑆ 0419613989⑈	

TECHNICAL ASSESSMENT II STUDY AGREEMENT

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

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated January 25, 2005;

WHEREAS, the Interconnection Customer is proposing to establish an interconnection with the ISO Controlled Grid; and

WHEREAS, the Interconnection Customer has submitted to the ISO an Interconnection Request; and

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the ISO's FERC-approved Standard Large Generation Interconnection Procedures ("LGIP") or the Master Definitions Supplement, Appendix A to the ISO Tariff, as applicable.
- 2.0 The Interconnection Customer elects and the ISO shall conduct or cause to be performed a Technical Assessment II Study.
- 3.0 The scope of the Technical Assessment II Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Technical Assessment II Study shall be performed solely for informational purposes.
- 5.0 The Technical Assessment II Study report shall provide an analysis based on the assumptions specified in Attachment A to this Agreement. The Technical Assessment II Study will identify the Participating TO's Interconnection Facilities and the Network Upgrades, and the estimated

cost thereof, including, if applicable, the cost of remedial measures that address the financial impacts, if any, on Local Furnishing Bonds, that may be required to provide transmission service or interconnection service based upon the assumptions specified in Attachment A. Page 3 of 17

- 6.0 The Interconnection Customer shall provide a deposit of \$25,000 for the performance of the Technical Assessment II Study. The ISO's good faith estimate for the time of completion of the Technical Assessment II Study is December 13, 2007. Following the issuance of the Technical Assessment II Study, the ISO shall charge and the Interconnection Customer shall pay the actual costs of the Technical Assessment II Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate.

- 7.0 Substantial portions of technical data and assumptions used to perform the Technical Assessment II Study, such as system conditions, existing and planned generation, and unit modeling, may change after the ISO provides the Technical Assessment II Study results to the Interconnection Customer. Study results will reflect available data at the time the ISO provides the Technical Assessment II Study to the Interconnection Customer. The ISO shall not be responsible for any additional costs, including without limitation, costs of new or additional facilities, system upgrades, or schedule changes, that may be incurred by the Interconnection Customer as a result of changes in such data and assumptions.

- 8.0 The ISO shall maintain records and accounts of all costs incurred in performing the Technical Assessment II Study in sufficient detail to allow verification of all costs incurred, including associated overheads. The Interconnection Customer shall have the right, upon reasonable notice, within a reasonable time at the ISO offices and at its own expense, to audit the ISO's records as necessary and as appropriate in order to verify costs incurred by the ISO. Any audit requested by the Interconnection Customer shall be completed, and written notice of any audit dispute provided to the ISO representative, within one hundred eighty (180) Calendar Days following receipt by the Interconnection Customer of the ISO's notification of the final costs of the Technical Assessment II Study.

- 9.0 This Agreement shall become effective upon the date the fully executed Agreement and deposit specified in Section 6 of this Agreement are received by the ISO. If the ISO does not receive the fully executed Agreement and payment, then the offer reflected in this Agreement will expire and this Agreement will be of no effect.

- 10.0 Miscellaneous.
- 10.1 Dispute Resolution. Any dispute, or assertion of a claim, arising out of or in connection with this Technical Assessment II Study Agreement, shall be resolved in accordance with Section 13.5 of the LGIP
- 10.2 Confidentiality. Confidential Information shall be treated in accordance with Section 13.1 of the LGIP.
- 10.3 Binding Effect. This Technical Assessment II Study Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 10.4 Conflicts. In the event of a conflict between the body of this Technical Assessment II Study Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Technical Assessment II Study Agreement shall prevail and be deemed the final intent of the Parties.
- 10.5 Rules of Interpretation. This Technical Assessment II Study Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Technical Assessment II Study Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Technical Assessment II Study Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any applicable laws and regulations means such applicable laws and regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article or Section of this Technical Assessment II Study Agreement or such Appendix to this Technical Assessment II Study Agreement, 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 Technical Assessment II Study Agreement as a whole and not to any particular Article, Section, or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of

any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including". Page 5 of 17

- 10.6 Entire Agreement. This Technical Assessment II Study Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Technical Assessment II Study Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, any Party's compliance with its obligations under this Technical Assessment II Study Agreement.
- 10.7 No Third Party Beneficiaries. This Technical Assessment II Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 10.8 Waiver. The failure of a Party to this Technical Assessment II Study Agreement to insist, on any occasion, upon strict performance of any provision of this Technical Assessment II Study Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

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

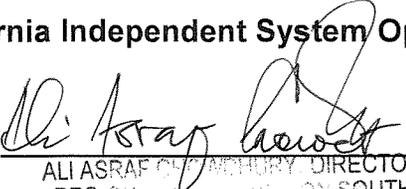
Any waivers at any time by any Party of its rights with respect to any default under this Technical Assessment II Study Agreement, or with respect to any other matter arising in connection with this Technical Assessment II Study Agreement, shall not constitute or be deemed a waiver with respect to any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

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

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

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

California Independent System Operator Corporation

By: 
ALI ASRAF CHAUDHRY, DIRECTOR
REGIONAL MANAGER, WESTERN SOUTH

Title: _____

Date: 9/18/07

Green Borders Geothermal, LLC

By:  *llm^c*

Title: CEO

Date: 9/24/07

**Attachment A
Technical Assessment II
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING
THE TECHNICAL ASSESSMENT II STUDY**



Green Borders Geothermal Technical Assessment Study II

Study Plan

Green Borders Geothermal, LLC

Green Borders Project

September 18, 2007

1. Introduction

Green Borders Geothermal, LLC. ("Interconnection Customer") applied to Southern California Edison (SCE) for the interconnection of the Green Borders Project ("Project") pursuant to Section 5.7 (Interconnection of New Facilities to the ISO Controlled Grid) of the ISO Tariff. SCE performed and completed all studies consistent with the then approved interconnection process (Amendment No. 39). As part of the Facilities Study, SCE conducted a Technical Assessment to determine whether or not the use of congestion management was appropriate and to identify upgrade requirements necessary to reliably connect the Project. The Technical Assessment concluded that the congestion management protocols utilized by the CAISO at the time the study was performed were insufficient¹.

Since the Technical Study was performed, the CAISO has further defined the new market mechanisms that will be incorporated into its Market Redesign and Technology Upgrade project ("MRTU"). The implementation of MRTU will enhance the quality of the CAISO's congestion management protocols and thereby increase the potential for eliminating some of the facility upgrades previously recommended for the Project. However, a Technical Assessment Study II (TAS II) will be required to determine if MRTU, coupled with the use of a System Protection System (SPS) to curtail generation, including the Project, will permit the reduction of some, or all, of the previously recommended facility upgrades.

This TAS II Study Plan ("Study Plan") provides the scope, content, and assumptions to be included in conducting the evaluation.

2. Study Fee

The estimated study cost is \$25,000 for performing the TAS II. The final cost to complete the TAS II will be based on actual cost.

3. Schedule

The following schedule shows the milestones associated with the study.

Task	Milestone Description	TargetDate*
1	TAS II Study Plan and Agreement are submitted to Interconnection Customer	September 18, 2007

¹ Prior to implementation of Market Redesign & Technology Upgrades (MRTU), the CAISO utilizes intra-zonal congestion management to mitigate congestion in the subject area. Utilization of intra-zonal congestion management protocols would create operational control concerns, as well as potential of market power issue since Green Borders would be the only market generation in the area. Other generators are currently under Qualifying Facilities (QF's) contracts.

2	CAISO receives executed TAS II Study Plan, Agreement, and Fee from Interconnection Customer	+10 calendar days
3	Commence TAS II	+1 business day
4	SCE submits TAS II draft report to CAISO for review	+60 calendar days
5	Issue final TAS II report	+15 calendar days
6	Results Meeting	Within 10 business day of issuing final report

4. Project and Interconnection Information

Table 4-1 provides general information about the Project.

Table 4-1

Project Location	Aurora, Nevada
Number and Type of Generators	Two synchronous generators each with a maximum output of 31 MW of generation
Plant Auxiliary	0 kW
Maximum Generator Net Output to CAISO Controlled Grid	62,000 kW
Power Factor	100%
Step-up Transformer	One three phase, 230/13.8 kV transformer rated at 100/133/166 MVA.
Description of Interconnection Configuration	Interconnect to a new customer owned 230 kV switching station to be located approximately 68 miles north of SCE's Control Substation.
Delivery to CAISO Controlled Grid	Delivery to the CAISO controlled grid will be via a non-SCE owned radial transmission line (Dixie Valley 230 kV owned by Oxbow Corporation) to SCE's existing Control Substation.
Connection Voltage	115 kV
Generation Tie-line	Twelve mile 230 kV generation tie-line from new customer owned 230 kV switching station, to be located in Nevada, to project site in Nevada near Aurora.

5. Study Assumptions

SCE will conduct the TAS II using the following assumptions:

- 1) The new commercial operation date proposed by the Interconnection Customer is Feb 01, 2012.
- 2) The system conditions for 2012 heavy summer and 2012 light spring will be used to derive appropriate generation shift factors needed for creating load duration curves for the pre and post-project conditions. A 1-in-10 year load forecast will be simulated in the heavy summer case and 65% of the summer load will be used in the light spring case.
- 3) The generation shift factors for the summer months (May 1st through September 31) will be obtained from the 2012 Heavy Summer base case and the generation shift factors for the non-summer months (October 1st to April 30th) will be obtained from the 2012 light spring base case.
- 4) Historical metered data from 8/17/2005 to 8/17/2007 at 5-minute interval will be used to establish expected base flows without the addition of the Project.
- 5) Higher queued generation projects will be modeled and dispatched at 100 percent capacity factor. Table A-1 lists all the projects in the CAISO and SCE queue to be modeled
- 6) Historical metered data will be adjusted to include all higher-queued generation projects prior to the addition of the proposed 62 MW Green Borders Project in order to reflect estimated pre-project flows.
- 7) The proposed 62 MW Green Borders Project will be modeled and dispatched at 100 percent capacity factor
- 8) Extent of congestion between Control, Inyokern, Kramer, Victor and Lugo will be determined by from the estimated pre-project flows.
- 9) Special Protection System (SPS) will be evaluated to determine if system is in compliance with established CAISO SPS Guidelines. The CAISO SPS Guideline is available from the following link:

<http://www.caiso.com/docs/09003a6080/14/37/09003a608014374a.pdf>

- 10) Identifying facilities needed to allow for use of congestion in a reliable manner and the SPS meeting the CAISO SPS Guidelines and WECC SPS redundancy requirements

6. Detailed Study Scope

The specific studies conducted for the TAS II are outlined in this section.

Evaluation of Expected Line Flow with the Project Addition

Historical metered line flow data will be reviewed to develop potential hourly flow duration curve prior to the addition of the Project. While such flows do not guarantee future performance, they reflect best estimate of line flow levels. The expected flow patterns will then be adjusted to account for the addition of the Project based on generation shift factor obtained from power flow analysis. Such adjustment will include dispatch of the Project with a 100 percent capacity factor assumption for normal and critical contingencies in the area. This analysis will provide an estimate of line flow duration curve versus available capacity under both normal and contingency conditions.

Inyo Phase-Shift Upgrade Determination

Congestion management protocols utilizing day-ahead markets may not be appropriate in this area due to potential reliability impacts to a neighboring non-CAISO transmission owner (i.e., the Los Angeles Department of Water & Power). Based on the flow patterns developed, a determination whether sufficient phase-angle can be provided by the existing Inyo phase-shift transformer to allow for the effective management of flows into the Los Angeles Department of Water and Power's (LADWP) electric system with the addition of the Green Borders Project. If insufficient angle exists and the extent of congestion is determined to be significant, upgrade to the phase-shift transformer will be required.

Inyokern Substation Upgrade Determination

Congestion management protocols utilizing day-ahead markets may not be appropriate in this area due to lack of sufficient market generation that can be curtailed to mitigate overloading concerns. The Green Borders Project represents an increase of approximately 50% of the total Control area generation resources most of which are existing Qualifying Facilities that are considered as regulatory "must-take." Consequently, any congestion management protocol will likely involve extensive curtailment of the Green Borders Project. Depending on the extent of congestion identified south of Inyokern, system operations will need to evaluate and determine if the congestion results in impairing the operators' ability to reliably operate the system and the impact to the proposed Project.

South of Kramer Upgrade Determination

The existing system includes two Special Protection Systems, which trip generation resources under specific single and double contingency conditions. With the addition of Green Borders Project, upgrades to these SPSs may be required to comply with the NERC/WECC Planning Standards on "System Protection and Control – Special Protection System". If the addition of the Green Borders Project results in an SPS that does not meet the NERC/WECC Planning Standards or the CAISO SPS Guidelines, additional South of Kramer transmission upgrades will be required.

Use of SPS should mitigate all single (NERC/WECC Category "B") and multiple (Category "C") contingencies that result in a criteria violation (or aggravate existing criteria violations). In addition, if overloading concerns are identified for normal conditions, SPS will be required to run back (or reduce) generation from the proposed Project.

Appendix

Table A-1: Higher Queued Projects

Queue Position	Queue Date	Generating Facility Type	Generating Facility Fuel	Project Size (MW)	Project Location	Interconnection Point
WDAT	8/15/2002	ST	Geothermal	16.54	Inyo, CA	Casa Diablo 115 kV Substation
33	7/12/2004	ST	Geothermal	10	Churchill, NV	Control 115 kV Substation (Oxbow T/L)
WDAT	10/21/2004	WT	Wind	80	San Bernardino, CA	New substation connected between Gale and pole switch 512 of the existing Victor-Black Mountain-Soport-Southcap-Southdown-Gale 115 kV line (normally open between Gale and Pole Swtich 512)

Table A-2: Existing Generation in North of Lugo

<u>Edison Hydro</u>	<u>MW</u>
Bishop Hydro Unit 2 & 6	13.0
Bishop Hydro Unit 3 & 4	13.0
Poole & Lundy	13.0
Rush Creek	<u>10.0</u>
Subtotal:	49.0
<u>Qualified Facilities</u>	<u>MW</u>
BLM East (Units 7 & 8)	48.0
BLM West (Unit 9)	24.0
Borax	45.0
Calgen (Units 1, 2, & 3)	90.0
Casa Diablo	26.0
Kerrgen & Kerr McGee (Net Gen – Load)	23.0
Luz (Units 8 and 9)	160.0
McGen	105.0
Mogen	57.0
Navy 2 (Units 1, 2, & 3)	75.0
Oxbow	55.0
SEGS 2	51.0
Sungen (Units 2, 3, 4, 5, 6, & 7)	<u>172.0</u>
Subtotal:	931.0
<u>Alta Market Generation</u>	<u>MW</u>
Alta Unit 1	65.0
Alta Unit 2	<u>81.0</u>
Alta Unit 3 (combustion turbines)	133.0
Alta Unit 3 (steam turbine)	108.0
Alta Unit 4 (combustion turbines)	133.0
Alta Unit 4 (steam turbine)	<u>108.0</u>
Subtotal:	628.0
<u>HDPP Market Generation</u>	<u>MW</u>
HDPP (Units 1, 2, & 3)	525.0
HDPP (Steam turbine)	<u>325.0</u>
Subtotal:	850.0
North of Lugo Total Area Generation:	2,458

LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)
AMONG
GREEN BORDERS GEOTHERMAL, LLC,
SOUTHERN CALIFORNIA EDISON COMPANY
AND
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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LARGE GENERATOR INTERCONNECTION AGREEMENT

AMONG GREEN BORDERS GEOTHERMAL, LLC,

SOUTHERN CALIFORNIA EDISON COMPANY AND

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

THIS LARGE GENERATOR INTERCONNECTION AGREEMENT ("LGIA") is made and entered into this ____ day of _____ 2007, by and among Green Borders Geothermal, LLC, a limited liability company 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 ("ISO"). Interconnection Customer, Participating TO, and ISO each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

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

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

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

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

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

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

ARTICLE 1. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, ISO, Participating TO, or any Affiliate thereof.

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

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

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

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

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

Interconnection Facilities Study shall mean the study conducted or caused to be performed by the ISO, 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 ISO for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean the preliminary evaluation conducted or caused to be performed by the ISO, 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 ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Standards. In the event of a conflict between the terms of this LGIA and the terms of the Participating TO's Interconnection Handbook, the terms in this LGIA shall apply.

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

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

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study conducted or caused to be performed by the ISO, 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 ISO, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

- 2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. The ISO and Participating TO shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.
- 2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of 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 ISO and the Participating TO ninety (90) Calendar Days advance written notice, or by the ISO and the Participating TO notifying FERC after the Generating Facility permanently ceases Commercial Operation.

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

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

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

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

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

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

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

- 2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Participating TO's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Parties pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS AND ISO TARIFF COMPLIANCE

- 3.1 Filing.** The Participating TO and the ISO shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority(ies), if required. The Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If the Interconnection Customer has executed this LGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with the Participating TO and ISO with respect to such filing and to provide any information reasonably requested by the Participating TO or ISO needed to comply with applicable regulatory requirements.
- 3.2 Agreement Subject to ISO Tariff.** The Interconnection Customer will comply with all applicable provisions of the ISO Tariff, including the LGIP.
- 3.3 Relationship Between this LGIA and the ISO Tariff.** With regard to rights and obligations between the Participating TO and the Interconnection Customer, if and to the extent a matter is specifically addressed by a provision of this LGIA (including any appendices, schedules or other attachments to this LGIA), the provisions of this LGIA shall govern. If and to the extent a provision of this LGIA is inconsistent with the ISO Tariff and dictates rights and obligations between the ISO and the Participating TO or the ISO and the Interconnection Customer, the ISO Tariff shall govern.
- 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 ISO 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 ISO Controlled Grid. To the extent the Interconnection Customer wants to receive Interconnection Service, the Participating TO shall construct facilities identified in Appendices A and C that the Participating TO is responsible to construct.

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

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

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

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

- 5.1 Options.** Unless otherwise mutually agreed among the Parties, the Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Participating TO's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.
- 5.1.1 Standard Option.** The Participating TO shall design, procure, and construct the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, using Reasonable Efforts to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the dates set forth in Appendix B, Milestones. The Participating TO shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Participating TO reasonably expects that it will not be able to complete the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades by the specified dates, the Participating TO shall promptly provide written notice to the Interconnection Customer and the ISO and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

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

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

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

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

- (1) the Interconnection Customer shall engineer, procure equipment, and construct the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Participating TO;
- (2) The Interconnection Customer's engineering, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which the Participating TO would be subject in the engineering, procurement or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) the Participating TO shall review, and the Interconnection Customer shall obtain the Participating TO's approval of, the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, which approval shall not be unreasonably withheld, and the ISO may, at its option, review the engineering design, equipment acceptance tests, and the construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, the Interconnection Customer shall provide to the Participating TO, with a copy to the ISO for informational purposes, a schedule for construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from the Participating TO;
- (5) at any time during construction, the Participating TO shall have the right to gain unrestricted access to the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by the Participating TO, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) the Interconnection Customer shall indemnify the ISO and Participating TO for claims arising from the Interconnection Customer's construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) The Interconnection Customer shall transfer control of the Participating TO's Interconnection Facilities to the Participating TO and shall transfer Operational Control of Stand Alone Network Upgrades to the ISO;

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

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

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

5.3 Liquidated Damages. The actual damages to the Interconnection Customer, in the event the Participating TO's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Participating TO pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Participating TO to the Interconnection Customer in the event that the Participating TO does not complete any portion of the Participating TO's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ 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 ISO and/or Participating TO, action or inaction by the ISO, or any cause beyond the Participating TO's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Participating TO's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

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

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

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

5.5.1 The ISO, 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 ISO of such later date upon which the completion of the Participating TO's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Interconnection Customer's Interconnection Facilities and Participating TO's Interconnection Facilities and compatibility of the Interconnection Facilities with the Participating TO's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** If any of the Participating TO's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Electric Generating Unit, the Participating TO and/or ISO, as applicable, shall, upon the request and at the expense of the Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities may operate prior to the completion of the Participating TO's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. The Participating TO and ISO shall permit Interconnection Customer to operate the Electric Generating Unit and the Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall, at its expense, design, procure, construct, own and install the Interconnection Customer's Interconnection Facilities, as set forth in Appendix A.
- 5.10.1 Large Generating Facility and Interconnection Customer's Interconnection Facilities Specifications.** The Interconnection Customer shall submit initial specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, including System Protection Facilities, to the Participating TO and the ISO at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. The Participating TO and the ISO shall review such specifications pursuant to this LGIA and the LGIP to ensure that the Interconnection Customer's Interconnection Facilities and Large Generating Facility are compatible with the technical specifications, operational control, safety requirements, and any other applicable requirements of the Participating TO and the ISO and comment on such specifications within thirty (30) Calendar Days of the Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

- 5.10.2 Participating TO's and ISO's Review.** The Participating TO's and the ISO's review of the Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall make such changes to the Interconnection Customer's Interconnection Facilities as may reasonably be required by the Participating TO or the ISO, in accordance with Good Utility Practice, to ensure that the Interconnection Customer's Interconnection Facilities are compatible with the technical specifications, Operational Control, and safety requirements of the Participating TO or the ISO.
- 5.10.3 Interconnection Customer's Interconnection Facilities Construction.** The Interconnection Customer's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Participating TO and ISO "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities and the Electric Generating Unit(s), such as: a one-line diagram, a site plan showing the Large Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Electric Generating Units. The Interconnection Customer shall provide the Participating TO and the ISO specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable. Any deviations from the relay settings, machine specifications, and other specifications originally submitted by the Interconnection Customer shall be assessed by the Participating TO and the ISO pursuant to the appropriate provisions of this LGIA and the LGIP.
- 5.10.4 Interconnection Customer to Meet Requirements of the Participating TO's Interconnection Handbook.** The Interconnection Customer shall comply with the Participating TO's Interconnection Handbook.
- 5.11 Participating TO's Interconnection Facilities Construction.** The Participating TO's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Participating TO and Interconnection Customer agree on another mutually acceptable deadline, the Participating TO shall deliver to the Interconnection Customer and the ISO the following "as-built" drawings, information and documents for the Participating TO's Interconnection Facilities. No drawings are required.

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

- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish *at no cost* to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Participating TO's Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Participating TO's Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of the Participating TO's Interconnection Facilities and/or Network Upgrades are to be installed on property owned by persons other than the Interconnection Customer or Participating TO, the Participating TO shall at the Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Participating TO's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** 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 ISO, to suspend at any time all work associated with the construction and installation of the Participating TO's Interconnection Facilities, Network Upgrades, and/or Distribution Upgrades required under this LGIA with the condition that the Participating TO's electrical system and the ISO Controlled Grid shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Participating TO's safety and reliability criteria and the ISO's Applicable Reliability Standards. In such event, the Interconnection Customer shall be responsible for all reasonable and necessary costs which the Participating TO (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Participating TO's electric system during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which the Participating TO cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, the Participating TO shall obtain Interconnection Customer's authorization to do so.

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

5.17 Taxes.

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

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

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

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

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

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

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

5.19 Modification.

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

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

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

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

ARTICLE 6. TESTING AND INSPECTION

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

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

6.3 Right to Observe Testing. Each Party shall notify the other Parties at least fourteen (14) days in advance of its performance of tests of its Interconnection Facilities or Generating Facility. The other Parties have the right, at their own expense, to observe such testing.

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

ARTICLE 7. METERING

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

ARTICLE 8. COMMUNICATIONS

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

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of each Electric Generating Unit, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by the Interconnection Customer, or by the Participating TO at the Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by the ISO and by the Participating TO through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1.

Telemetry to the ISO shall be provided in accordance with the ISO's technical standards for direct telemetry. For telemetry to the Participating TO, the communication protocol for the data circuit(s) shall be specified by the Participating TO. Instantaneous bi-directional real power and reactive power flow and any other required information must be telemetered directly to the location(s) specified by the Participating TO.

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

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

ARTICLE 9. OPERATIONS

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

- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the ISO and Participating TO in writing of the Control Area in which the Large Generating Facility intends to be located. If the Interconnection Customer intends to locate the Large Generating Facility in a Control Area other than the Control Area within whose electrically metered boundaries the Large Generating Facility is located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.
- 9.3 ISO and Participating TO Obligations.** The ISO and Participating TO shall cause the Participating TO's Transmission System to be operated and controlled in a safe and reliable manner and in accordance with this LGIA. The Participating TO at the Interconnection Customer's expense shall cause the Participating TO's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. The ISO and Participating TO may provide operating instructions to the Interconnection Customer consistent with this LGIA and Participating TO and ISO operating protocols and procedures as they may change from time to time. The Participating TO and ISO will consider changes to their operating protocols and procedures proposed by the Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** The Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. The Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, including such requirements as set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. A Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA. The Interconnection Customer shall not commence Commercial Operation of an Electric Generating Unit with the Participating TO's Transmission System until the Participating TO provides prior written approval, which approval shall not be unreasonably withheld, for operation of such Electric Generating Unit.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of each Electric Generating Unit to the ISO Controlled Grid.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** The Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the terminals of the Electric Generating Unit at a power factor within the range of 0.95 leading to 0.90 lagging, unless the ISO has established different requirements that apply to all generators in the Control Area on a comparable basis. 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 ISO Controlled Grid, the ISO or Participating TO shall require the Interconnection Customer to maintain a voltage schedule by operating the Electric Generating Unit to produce or absorb reactive power within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria). ISO's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. The Participating TO shall exercise Reasonable Efforts to provide the Interconnection Customer with such schedules at least one (1) day in advance, and the ISO or Participating TO may make changes to such schedules as necessary to maintain the reliability of the ISO Controlled Grid or the Participating TO's electric system. The Interconnection Customer shall operate the Electric Generating Unit to maintain the specified output voltage or power factor within the design limitations of the Electric Generating Unit set forth in Article 9.6.1 (Power Factor Design Criteria), and as may be required by the ISO to operate the Electric Generating Unit at a specific voltage schedule within the design limitations set forth in Article 9.6.1. If the Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the ISO and the Participating TO.

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

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

9.7 Outages and Interruptions.**9.7.1 Outages.**

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

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

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

- 9.7.2 Interruption of Service.** If required by Good Utility Practice to do so, the ISO or the Participating TO may require the Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect the ISO's or the Participating TO's ability to perform such activities as are necessary to safely and reliably operate and maintain the Participating TO's electric system or the ISO Controlled Grid. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:
- 9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the ISO Controlled Grid, subject to any conditions specified in this LGIA;
- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, the ISO or Participating TO, as applicable, shall notify the Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification, if requested by the Interconnection Customer, as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, the ISO or Participating TO shall notify the Interconnection Customer in advance regarding the timing of such interruption or reduction and further notify the Interconnection Customer of the expected duration. The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer, the ISO, and the Participating TO;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, the Participating TO's Transmission System, and the ISO Controlled Grid to their normal operating state, consistent with system conditions and Good Utility Practice.
- 9.7.3 Under-Frequency and Over Frequency Conditions.** The ISO Controlled Grid is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. The Interconnection Customer shall implement under-frequency and over-frequency protection set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with the Participating TO and ISO in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the ISO Controlled Grid during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

- 9.7.4.1 System Protection Facilities.** The Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO shall install at the Interconnection Customer's expense any System Protection Facilities that may be required on the Participating TO's Interconnection Facilities or the Participating TO's Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.
- 9.7.4.2** The Participating TO's and Interconnection Customer's protection facilities shall be designed and coordinated with other systems in accordance with Applicable Reliability Council criteria and Good Utility Practice.
- 9.7.4.3** The Participating TO and Interconnection Customer shall each be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** The Participating TO's and Interconnection Customer's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's Electric Generating Units.
- 9.7.4.5** The Participating TO and Interconnection Customer will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook.
- 9.7.4.6** Prior to the in-service date, and again prior to the Commercial Operation Date, the Participating TO and Interconnection Customer or their agents shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, the standards and procedures of the Participating TO, including, if applicable, the requirements of the Participating TO's Interconnection Handbook, and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

- 9.7.5 Requirements for Protection.** In compliance with Good Utility Practice and, if applicable, the requirements of the Participating TO's Interconnection Handbook, the Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Participating TO's Transmission System not otherwise isolated by the Participating TO's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Participating TO's Transmission System. Such protective equipment shall include, without limitation, a disconnecting device with fault current-interrupting capability located between the Large Generating Facility and the Participating TO's Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. The Interconnection Customer shall be responsible for protection of the Large Generating Facility and the Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. The Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and the Interconnection Customer's other equipment if conditions on the ISO Controlled Grid could adversely affect the Large Generating Facility.
- 9.7.6 Power Quality.** Neither the Participating TO's nor the Interconnection Customer's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard. In the event of a conflict between ANSI Standard C84.1-1989, any applicable superseding electric industry standard, or any alternative Applicable Reliability Council standard, the alternative Applicable Reliability Council standard shall control.
- 9.8 Switching and Tagging Rules.** Each Party shall provide the other Parties a copy of its switching and tagging rules that are applicable to the other Parties' activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Participating TO's Transmission System and shall be used for no other purpose.

- 9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Participating TO's Interconnection Facilities, or any part thereof, the Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between the Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by the Participating TO, all third party users, and the Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.
- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the ISO Controlled Grid by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

ARTICLE 10. MAINTENANCE

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

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer's Interconnection Facilities.** The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Customer's Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Participating TO's Interconnection Facilities.** The Participating TO shall design, procure, construct, install, own and/or control the Participating TO's Interconnection Facilities described in Appendix A at the sole expense of the Interconnection Customer. Unless the Participating TO elects to fund the capital for the Participating TO's Interconnection Facilities, they shall be solely funded by the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** The Participating TO shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Participating TO elects to fund the capital for the Distribution Upgrades and Network Upgrades, they shall be solely funded by the Interconnection Customer.
- 11.4 Transmission Credits.** No later than thirty (30) days prior to the Commercial Operation Date, the Interconnection Customer may make a one-time election by written notice to the ISO and the Participating TO to receive Firm Transmission Rights as defined in and as available under the ISO Tariff at the time of the election in accordance with the ISO Tariff, in lieu of a refund of the cost of Network Upgrades in accordance with Article 11.4.1.
- 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 ISO Controlled Grid, as applicable, in accordance with the LGIP. Such agreement shall specify the terms governing payments to be made by the Interconnection Customer to the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid as well as the repayment by the owner of the Affected System and/or other affected owners of portions of the ISO Controlled Grid. In no event shall the Participating TO be responsible for the repayment for any facilities that are not part of the Participating TO's Transmission System.
- 11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.
- 11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, the Interconnection Customer shall provide the Participating TO, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Participating TO and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of the Participating TO's Interconnection Facilities, Network Upgrades, or Distribution Upgrades. 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 ISO requests or directs the Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power) or 13.5.1 of this LGIA, the ISO shall compensate the Interconnection Customer in accordance with the ISO Tariff.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.

The ISO shall compensate the Interconnection Customer in accordance with the ISO Tariff for its provision of real and reactive power and other Emergency Condition services that the Interconnection Customer provides to support the ISO Controlled Grid during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

- 12.1 General.** The Participating TO shall submit to the Interconnection Customer, on a monthly basis, invoices of amounts due pursuant to this LGIA for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party. Notwithstanding the foregoing, any invoices between the ISO and another Party shall be submitted and paid in accordance with the ISO Tariff.
- 12.2 Final Invoice.** As soon as reasonably practicable, but within twelve months after completion of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, the Participating TO shall provide an invoice of the final cost of the construction of the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades, and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. The Participating TO shall refund to the Interconnection Customer any amount by which the actual payment by the Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice; or, in the event the actual costs of construction exceed the Interconnection Customer's actual payment for estimated costs, then the Interconnection Customer shall pay to the Participating TO any amount by which the actual costs of construction exceed the actual payment by the Interconnection Customer for estimated costs within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the Interconnection Customer at the address specified in Appendix F. The Interconnection Customer shall pay, or Participating TO shall refund, the amounts due within thirty (30) Calendar Days of the Interconnection Customer's receipt of the invoice. All payments shall be made in immediately available funds payable to the Interconnection Customer or Participating TO, or by wire transfer to a bank named and account designated by the invoicing Interconnection Customer or Participating TO. Payment of invoices by any Party will not constitute a waiver of any rights or claims any Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between the Interconnection Customer and the Participating TO, the Participating TO and the ISO shall continue to provide Interconnection Service under this LGIA as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to the Participating TO or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then the Participating TO may provide notice to the Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with the methodology set forth in FERC's Regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Notwithstanding the foregoing, any billing dispute between the ISO and another Party shall be resolved in accordance with the provisions of Article 27 of this LGIA.

ARTICLE 13. EMERGENCIES**13.1 [Reserved]**

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

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

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

13.5 ISO and Participating TO Authority.

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

The Participating TO and the ISO shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. The Participating TO or the ISO may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing the Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with black start (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of the ISO's and Participating TO's operating instructions concerning

Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

- 13.5.2 Reduction and Disconnection.** The Participating TO or the ISO may reduce Interconnection Service or disconnect the Large Generating Facility or the Interconnection Customer's Interconnection Facilities when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the ISO pursuant to the ISO Tariff. When the ISO or Participating TO can schedule the reduction or disconnection in advance, the ISO or Participating TO shall notify the Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. The ISO or Participating TO shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the ISO and Participating TO. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the ISO Controlled Grid to their normal operating state as soon as practicable consistent with Good Utility Practice.
- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice, this LGIA, and the ISO Tariff, the Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or the Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the ISO Controlled Grid and the Participating TO's Interconnection Facilities. The ISO and Participating TO shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, no Party shall be liable to any other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

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

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

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

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by a Party to another and any instrument required or permitted to be tendered or delivered by a Party in writing to another shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

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

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

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

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

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

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

ARTICLE 17. DEFAULT**17.1 Default**

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

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

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

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

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

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

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

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and

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

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

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

18.3 Insurance. Each Party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Parties, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located, except in the case of the ISO, the State of California:

18.3.1 Employer's Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located, except in the case of the ISO, the State of California.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Business Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

- 18.3.4** Excess Public Liability Insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Parties, their parents, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) Calendar Days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall notify the other Parties that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

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

ARTICLE 19. ASSIGNMENT

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

ARTICLE 20. SEVERABILITY

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

ARTICLE 21. COMPARABILITY

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

ARTICLE 22. CONFIDENTIALITY

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

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection,

if the Party providing the information orally informs the Parties receiving the information that the information is confidential.

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

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

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

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

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

22.1.5 No Warranties. The mere fact that a Party has provided Confidential Information does not constitute a warranty or representation as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

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

Confidential Information solely to fulfill its obligations to the other Parties under this LGIA or its regulatory requirements.

- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.
- 22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner 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 Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Parties in writing of the information it claims is confidential. Prior to any disclosures of another Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

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

ARTICLE 24. INFORMATION REQUIREMENTS

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

ISO standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

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

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

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

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

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA. Nothing in this Article 25 shall obligate the ISO to make available to a Party any third party information in its possession or control if making such third party information available would violate an ISO Tariff restriction on the use or disclosure of such third party information.

- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the “notifying Party”) shall notify the other Parties when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, the Parties’ audit rights shall include audits of a Party’s costs pertaining to such Party’s performance or satisfaction of obligations owed to the other Party under this LGIA, calculation of invoiced amounts, the ISO’s efforts to allocate responsibility for the provision of reactive support to the ISO Controlled Grid, the ISO’s efforts to allocate responsibility for interruption or reduction of generation on the ISO Controlled Grid, and each such Party’s actions in an Emergency Condition.
- 25.3.1** The Interconnection Customer and the Participating TO shall each have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party’s accounts and records pertaining to either such Party’s performance or either such Party’s satisfaction of obligations owed to the other Party under this LGIA. Subject to Article 25.3.2, any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each such Party’s performance and satisfaction of obligations under this LGIA. Each such Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.
- 25.3.2** Notwithstanding anything to the contrary in Article 25.3, each Party’s rights to audit the ISO’s accounts and records shall be as set forth in Article 12 of the ISO Tariff.
- 25.4 Audit Rights Periods.**
- 25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Participating TO’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades constructed by the Participating TO shall be subject to audit for a period of twenty-four months following the Participating TO’s issuance of a final invoice in accordance with Article 12.2. Accounts and records related to the design, engineering, procurement, and construction of Participating TO’s Interconnection Facilities and/or Stand Alone Network Upgrades constructed by the Interconnection Customer shall be subject to audit and verification by the Participating TO and the ISO for a period of twenty-four months following the Interconnection Customer’s issuance of a final invoice in accordance with Article 5.2(8).
- 25.4.2 Audit Rights Period for All Other Accounts and Records.** Accounts and records related to a Party’s performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought; provided that each Party’s rights to audit the ISO’s accounts and records shall be as set forth in Article 12 of the ISO Tariff.

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

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

ARTICLE 26. SUBCONTRACTORS

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

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

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

ARTICLE 27. DISPUTES

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

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

- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.
- 27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator(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 ISO and Participating TO shall each have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation covered by these Articles:

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

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

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

The ISO shall have the exclusive right to make a unilateral filing with FERC to modify this LGIA pursuant to section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder with respect to the following Articles of this LGIA and with

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

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

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

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

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

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

Southern California Edison Company

By: _____
Ronald L. Litzinger

Title: Senior Vice President

Date: _____

California Independent System Operator Corporation

By: _____

Title: _____

Date: _____

Green Borders Geothermal, 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

**Appendix A
To LGIA****Interconnection Facilities, Network Upgrades and Distribution Upgrades****1. Interconnection Facilities:****(a) Interconnection Customer's Interconnection Facilities:**Oxbow Substation

1. Install approximately 500 ft. of conduit as required to extend the proposed Oxbow – Aurora fiber optic cable to the telecommunications room at Control Substation, creating the Control – Aurora fiber optic cable.
2. Replace the existing 50/66.8 MVA 220/115kV autotransformer with a unit that can accommodate the total amount of generation the autotransformer will serve.

Aurora Switchyard

3. One 230/13.8 kV switching station, located near the Large Generating Facility, which includes two 3-phase 30/40/50 MVA, X = 7.5% on 100 MVA generator step-up transformers
4. Provide space for one 100 ft high, and up to 3600 sq. ft. at base, self-supporting antenna tower
5. Provide space for a 12 ft. by 36 ft. prefabricated communications building
6. Provide a 200 amp, 240 volt power source and two 5 in. conduits to extend the optical ground wire from the switchyard to the telecommunications equipment racks in the prefabricated communications building
7. One 220kV circuit breaker

Aurora-Green Borders 230kV Transmission Line

- ~~6.8.~~ A 63,000 foot 230kV generation tie-line, consisting of aluminum conductor steel reinforced (ACSR) 954 kcmil conductor which terminates between the Large Generating Facility switchyard and the Dixie Valley - Aurora – Oxbow Control Transmission Line interconnection switchyard. The interconnection switchyard is a 230 kV loop configuration switchyard which will physically interconnect the Large Generating Station with the existing Dixie Valley – Oxbow Control 230 kV Transmission Line. The existing Dixie Valley – Oxbow Control 230 kV Transmission Line is non Participating TO-owned and the Interconnection Customer has the responsibility for arranging interconnection with, and access to, the transmission line.
- ~~7.9.~~ Twelve miles of optical ground wire terminating at the Large Generating Facility and the Project's proposed interconnection point with the Dixie Valley-Oxbow 230kV Transmission Line. The operation of the light wave system requires that the optical ground wire have a minimum of eight strands.

Large Generating Facility

- ~~8.10.~~ ISO metering
11. Install one microwave tower, light-wave, microwave terminals, dish antennas, channel, networking equipment, two G.E. N60 relays for tripping the Large Generating Facility, and line circuit breakers, and one SEL – 2407 satellite synchronized clock to support the Special Protection System.
12. Provide 100 sq. of space for telecommunications equipment racks
13. Provide six 130 volt DC power feeds, and one 5 in. conduit to extend the optical ground wire from the switchyard to the telecommunications equipment racks
14. Provide space for one 100 ft high, and up to 3600 sq. ft. at base, self-supporting antenna tower
15. One 220kV circuit breaker

(b) Participating TO's Interconnection Facilities:

Control Substation 115kV Transmission Line position 8 –
 (1CS) Replace all 336.4kcmil ACSR conductors (rated 575A) with new 605 kcmil ACSR conductors (rated 850A)

(2CS) Replace the existing 115kV - 150 x 300A revenue metering units with 115Kv - 300 x 600A revenue metering units, inspect, and test the metering units, which are needed to accommodate the Green Borders Geothermal Project's generation delivered through the existing Dixie Valley – Control 230kV Transmission Line

Telecommunications

(OAF01) Oxbow-Aurora Fiber Optic Line Corridor
Plan, engineer, survey, permit, and obtain easements for a 20 ft. wide by 68 mile long corridor between the Oxbow Substation and the Interconnection Customer's proposed Aurora Switching Station, where the Control-Aurora Fiber Optic Communications Line will be constructed, unless otherwise agreed to between SCE and Interconnection customer as a result of action by the owners of the Oxbow-Dixie-Valley 230kV transmission line.

(OAF02) Control-Aurora Fiber Optic Communications Line
Engineer, procure and construct one 68 mile pole line equipped with optical ground wire and supporting structures, terminating at the Control Substation and the Interconnection Customer's proposed Aurora Switchyard, unless otherwise agreed to between SCE and Interconnection customer as a result of action by the owners of the Oxbow-Dixie-Valley 230kV transmission line.

(AS1) Install one communications building, microwave tower, DC system, light-wave microwave terminals, dish antennas, channel and networking equipment at the proposed Aurora Switchyard to support the required Special Protection System.

(APCS) Install microwave terminals, dish antennas, and ancillary equipment at the non-SCE owned Aurora Peak Communication Site.

(PCCS) Install microwave terminal, dish antennas, and ancillary equipment to support the Special Protection System at the non-SCE owned Poleta Canyon Communication Site.

(SBRCS) Install microwave terminal, dish antennas, and ancillary equipment to support the Special Protection System at the non-SCE owned South Benton Range Communication Site.

Large Generating Facility –

(1LGF) Install a new full size real-time remote terminal unit at the Large Generating Facility to monitor the following elements:

- MW

- MVAR
- Bus kV
- All 220kV lines phase and neutral amps, kV, MW and MVAR.
- All circuit breakers' status, alarms and controls
- All corresponding relays status and alarms

2. Network Upgrades:

(a) Stand Alone Network Upgrades: None.

(b) Other Network Upgrades:

(i) Participating TO's Reliability Network Upgrades

Control Substation:

(4CS) Upgrade the substation 115kV buses, by replacing all 336.4 kcmil ACSR and 4/0 copper (rated 500A) conductors with new 605 kcmil ACSR.

(5CS) Upgrade the line protection on the Inyo 115kV Transmission Line position by replacing the existing copper pilot wire with fiber optic and the RFL 6780 relay with a new RFL 9745.

(6CS) Install ~~four~~ two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(6.1CS) Install six (three per circuit breaker) 1200/5A bushing current transformers at each of the two circuit breakers on the Inyo 115kV Transmission Line position to provide diverse paths for SPS A and SPS B.

Inyo Substation:

(1IS) Replace the existing 115kV 56MVA 30 – degree phase shifting transformer with a new 115kV 56MVA 60 – degree phase shifting transformer.

(1.1IS) Replace the existing RADSE and SBD11B relays on the phase shifter with a new SEL-387 current differential relay and associated auxiliary relays and switches.

(2IS) Upgrade the line protection on the Control 115kV Transmission Line by replacing the existing copper pilot wire and the related PM23 Monitor Relay with fiber optic cable and SONET multiplexer fiber optic interface equipment with fiber optic wire and a RFL 6780 relay with a new RFL 9745 relay.

(2.1IS) Upgrade the line protection on the Control 115kV Transmission Line by replacing the RFL 6780 relay with a new RFL 9745 direct transfer trip relay.

(3IS) Install two G.E. N60 Relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(3.1IS) Install three (three per circuit breaker) 1200/5A bushing current transformers at the circuit breaker on the 115kV phase shifting transformer to provide diverse paths for SPS A and SPS B.

Inyokern Substation:

~~—(1IKS) Replace two 7.5kA 115kV circuit breakers with new 40kA units~~

Circuit Breaker No.	Substation Position
1. 7	7
2. 8	8

(2IKS) Install four G.E. N60 Relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(2.1IKS) Install three (three per circuit breaker) 1200/5A bushing current transformers at the circuit breaker on the Kramer – Randsburg No. 115 kV Transmission Line to provide diverse paths for SPS A and SPS B.

(3IKS) Expand the existing 115/33kV substation to convert it into a 220/115/33kV substation by installing the following facilities:

~~One 220kV switchyard with three lines and two banks arranged in a breaker and a half configuration. The three incoming lines will be provided by looping the existing BLM – Kramer 220kV Transmission Line and increasing the operating voltage of the existing Kramer Inyokern Randsberg Transmission Line from 115kV to 220kV~~

~~Two 280MVA 220/115kV transformer banks~~

~~One 115kV switchyard to accommodate all existing 115kV lines and 115/33kV transformer banks plus the two additional 220/115kV transformer banks and two 115kV capacitor banks~~

(4IKS) Replace all existing line protection relays in the Kramer – Randsburg No.1 115kV Transmission Line position with two new SEL-3Il line differential relays and associated auxiliary relays and switches.

Kramer Substation:

~~(1KS) Upgrade the line protection on the BLM West 220kV Transmission Line position 1. This line will be terminated at the re-modeled Inyokern Substation and become the Inyokern 220kV Transmission Line. This work includes removing the existing line protection relays and installing the following new equipment:~~

~~One GE L90 current differential relay with fiber optic interface~~

~~One SEL 311L current differential relay with fiber optic interface~~

~~(2KS) Install all new equipment on the existing 220kV line position 11 to terminate the new Kramer – Lugo No.3 220kV Transmission Line. This work requires the installation of the following equipment:~~

~~Three 60 ft. tie-downs with 2 1590 kcmil ACSR conductors and foundations (approximately 540 ft. of conductors)~~

~~Three suspension mounted coupling capacitor voltage transformers (one at each tie-down)~~

~~Two 220kV 3000A 50kA circuit breakers and foundations~~

~~Four 220kV group operated – horizontally mounted disconnect switches with support structures and foundations – one of them with grounding attachments~~

~~Twelve 220kV bus supports with individual steel pedestals and foundations~~

~~Three 200 ft. segments of 2 1590 kcmil ACSR conductors (approximately 1,200 ft. of conductors)~~

~~Four new protection relays in the existing relay room and connect them to the new circuit breakers in position 11 via new control cables which will be installed in existing trenches:~~

~~One GE L90 current differential relay with fiber optic interface~~

~~One SEL 311L current differential relay with fiber optic interface~~

Two GE C60 breaker management relays for local failure back-up

(3KS) Install six G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(3.1KS) Install eighteen (three per circuit breaker) 2000/5A bushing current transformers at the two circuit breakers on the Lugo No.1 and Lugo No.2 220kV line positions and the Inyokern – Randsburg No. 115kV Transmission Line position to provide diverse paths for SPS A and SPS B.

(4KS) Replace all existing line protection relays in the Inyokern – Randsburg No. 1 115kV Transmission Line position with two new SEL-311 line differential relays and associated auxiliary relays and switches.

Lugo Substation:

~~(1LS) Install all new equipment on the existing 220kV line position 7 to terminate the new Kramer – Lugo No.3 220kV Transmission Line. This work requires the installation of the following equipment:~~

~~One 60 ft. high by 45 ft. wide line dead end structure and corresponding foundations~~

~~Three 60 ft. tie-downs with 2-1590 kcmil ACSR conductors and foundations~~

~~(approximately 540 ft. of conductors)~~

~~Three suspension mounted CCVT's (one at each tie-down)~~

~~Two 220kV 3000A 50kA circuit breakers and foundations~~

~~Four 220kV group operated horizontally mounted disconnect switches with support structures and foundations – one of them with grounding attachments~~

~~Twelve 220kV bus supports with individual steel pedestals and foundations~~

~~Three 200ft segments of 2-1590 kcmil ACSR conductors (Approximately 1,200ft. of conductors)~~

~~Four new protection relays in the existing relay room and connect them to the new circuit breakers in position 11 via new control cables to be installed in existing trenches:~~

~~One GE L90 current differential relay with fiber optic interface~~

~~One SEL 311L current differential relay with fiber optic interface~~

~~Two GE C60 breaker management relays for local failure back-up~~

~~(2LS) Install a new 1120MVA 500/220kV transformer bank with corresponding 500kV and 220kV bank positions and sectionalize the existing 220kV buses. This work requires the following elements:~~

~~Install the following equipment to extend the existing 500kV buses two positions to the south:~~

~~Two 60 ft. high x 90 ft. wide bus dead end structures and foundations~~

~~Twelve insulators dead end assemblies~~

~~Six 180 ft. segments of 3-2156 kcmil ACSR conductors (approximately 3240ft.)~~

~~Install the following equipment for the new double breaker 500kV bank position:~~

~~Three 500kV gas to air bushings with support pedestals and foundations~~

~~Three 500kV surge arresters with support pedestals and foundations~~

~~Two 500kV 3000A 63kA circuit breakers and foundations~~

~~Four 500kV group operated horizontally mounted disconnect switches with support structures and foundations, one of which with grounding attachments~~

~~Twenty four bus support insulators with support pedestals and foundations~~

~~Three 660ft segments of 2-2156kcmil ACSR conductors (approximately 4000 ft)~~

Install the following equipment for the new 220kV bank position:

~~— Three 220kV gas-to-air bushings with support pedestals and foundations~~
~~— Three 220kV surge arresters with support pedestals and foundations~~
~~— Two 220kV 3000A 40kA circuit breakers and foundations~~
~~— Four 220kV group operated — horizontally mounted disconnect switches with support structures and foundations, one of which with grounding attachments~~
~~— Seventeen bus support insulators with support pedestal and foundations~~
~~— Three 330 ft. segments of 2-2156kcmil ACSR conductors (approximately 2000 ft.)~~

~~Install the following equipment for the two 220kV bus sectionalizing positions:~~

~~— Two 220kV 3000A 40kA circuit breakers and foundations~~
~~— Four 220kV group operated — horizontally mounted disconnect switches with support structures and foundations~~

Install the following equipment for the new 1120MVA 500/220kV transformer bank:

Four single phase transformers and foundations
 One standard 500/220kV bank structure
 Three 500kV gas-to-air bushings with support pedestals and foundations
 Three 500kV surge arresters with support pedestals and foundations
 Three 220kV gas-to-air bushings with support pedestals and foundations
 Three 220kV surge arresters with support pedestals and foundations
 300-circuit ft of 500kV GIS bus inside trench (approximately 900 ft.)
 700-circuit feet of 220kV GIS bus inside trench (approximately 2100 ft.)
 Transformer bank protection and circuit breaker management relays

Additional work to be performed within the substation:

Relocate approximately 800ft. of perimeter fence and a 20ft. D.D. Gate, 50ft. to the south
 Relocate an approximately 600ft. X 20ft. driveway, 150ft. to the south
 Extend the existing grounding grid to cover the additional 800ft. by 50ft area.
 Grade and install crushed rock on the additional 800ft. by 50ft. Area.

(3LS) Install ~~six~~four G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(3.1LS) Install fifteen (three per circuit breaker) 2000/5A bushing current transformers at the two circuit breakers on the Kramer No. 1 and Kramer No. 2 220kV Transmission Line positions and one circuit breaker on the No. 2AA 220kV bank position to provide diverse paths for SPS A and SPS B.

~~— (4LS) Replace three 50kA 220kV circuit breakers with new 63kA circuit breakers and install two sets of 220kV transient recovery voltage line-to-ground capacitors (six units) to upgrade two 50kA 220kV circuit breakers to a 63kA rating:~~

Circuit Breaker No.	Substation Position	Replacement or Upgrade
532	3-T	Replacement
622	2-W	Replacement
662	6-W	Replacement
522	2-T	Upgrade
562	6-T	Upgrade

Various Substations

(BCP2) Bishop Creek Plant 2: install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(BSC3) Bishop Creek Plant 3: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(BCP4) Bishop Creek Plant 4: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(BCP5) Bishop Creek Plant 5: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(BCP6) Bishop Creek Plant 6: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(CWGS) Coolwater Generating Station: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(MGGS) McGen Substation: Install one G.E. N60 relay and one SEL-2407 Satellite Synchronized Clock to support the required special protection system.

(VS) Victor Substation: Install two G.E. N60 relays and one SEL-2407 Satellite Synchronized clock to support the required Special Protection System. Modify the logic in the High Desert special protection system SEL-2100 Logic Processors to add the new Lugo Substation. No.3 500/220kV Transformer Bank to the existing Lugo Substation Bank's logic.

~~BLM West — Kramer 220kV Transmission Line:~~

~~(BLMW-KTL) Loop the existing line into the new Inyokern Substation 220kV Switchyard and form the new BLM West — Inyokern and Inyokern — Kramer No.2 220kV Transmission Lines. This work requires the installation of approximately 5,250 ft. of double circuit 220kV transmission line using two dead — end single circuit tubular steel poles, three suspension and one dead — end double circuit tubular steel poles and approximately 65,000 ft. of 1590 kcmil ACSR conductor and 5,000 ft. of ½ in. steel overhead ground wire and the required conductor and ground wire hardware/insulator assemblies.~~

~~Kramer — Lugo No.3 220kV Transmission Line~~

~~(K-L3TL) Install approximately 252,000 ft of new transmission line constructed using single circuit tubular steel poles, 2-1590 kcmil ACSR conductors and fiber optic OPGW. This work requires the installation of approximately 1,520,000 ft. of 1590 kcmil ACSR conductor and 253,000 ft. of OPGW. This work also requires a total of approximately 239 suspension and 31 dead end tubular steel poles and 4 suspension and 2 dead end lattice towers and all the corresponding conductor and ground wire hardware/insulator assemblies.~~

~~Inyokern — Kramer — Randsburg No.1 and No. 3 115 kV Transmission Lines~~

~~(IKKRTL) Re-configure the 115 kV transmission line taps into the Randsburg 115 kV Substation to provide a preferred / emergency configuration with preferred service from Kramer Substation and emergency service from Inyokern Substation. This re-configuration requires disconnecting the Randsberg tap from the existing line, and re-connecting it to the existing 115kV line in a loop configuration:~~

- ~~— Install approximately 1,312 ft. of new 115kV line with five tubular steel poles and 954kcmil ACSR conductors~~
- ~~— Upgrade the approximately 400 circuit ft. of existing line by replacing the existing conductors~~
- ~~— with new 954kcmil ACSR conductors~~

~~— Increase operating voltage of the existing Inyokern—Kramer No. 3 Transmission Line to
— 220kV~~

Telecommunications:

(7CS) Transmission line protection for existing lines
Replace the existing copper pilot wire on the Control – Inyo 115 kV Transmission Line with new fiber optic cable and the existing pilot wire monitoring relays at each station, with new SONET multiplexer fiber optic interface equipment.

(8CS) Install new light-wave equipment to support the Special Protection System at Control Substation.

(VL) Install T1 cross-connects at SCE light-wave and microwave locations as required to extend Special Protection System A and Special Protection System B circuits from project locations southward to the SCE Centralized Special Protection System Master Location in Rosemead, CA.

~~(3KS) Transmission line protection for new transmission lines~~

~~— Install telecommunication terminal equipment at Kramer and Lugo Substations to support the line protection relays on the new Kramer – Lugo No.3 220kV Transmission Line. One of the two diverse paths will be provided by the line optical ground wire which is included in the transmission line cost estimate. The other path will use existing circuits available between the two stations.~~

~~— Install 2 digital channels on diverse routes between the SCE Inyokern Substation and the Coso Energy BLM West Substation to support the line protection relays on the proposed BLM West – Inyokern 220kV Transmission Line.~~

~~— Special Protection System~~

~~— (SPS) Install all required telecommunications facilities to upgrade the existing Bishop and Kramer special protection system's to comply with the WECC redundancy requirements and support the special protection system related relays at 12 locations as described in the substation elements. This work requires the installation of the following elements:~~

- ~~— A. 433,125 ft of new fiber optic cable as follows:~~
- ~~• 45,675 ft: Control Substation to Bishop Creek Plant 2~~
 - ~~• 33,600 ft: Bishop Creek Plant 2 to Bishop Creek Plant 3~~
 - ~~• 12,075 ft: Bishop Creek Plant 3 to new tap point~~
 - ~~• 177,450 ft: Inyokern Substation to McGen Substation~~
 - ~~• 159,075 ft: Ridgecrest District Office to McGen Substation~~
 - ~~• 5,250 ft: Two 0.5 Mile OPGW taps into Victor Substation~~

~~NOTE:~~

~~All new fiber to be installed on existing sub-transmission and distribution poles.~~

~~— B. Four new microwave systems as follows:~~

- ~~• From Kramer Substation to West Randsburg Communication Site (LADWP)~~
- ~~• From West Randsburg Communication Site (LADWP) to El Paso Communication Site (Kern Co.)~~
- ~~• From Inyokern Substation to El Paso Communication Site (Kern Co.)~~
- ~~• From Control Substation to Poleta Canyon Communication Site (LADWP)~~

~~— C. Twenty-three new SONET Optical Multiplex Terminals as follows:~~

- ~~• 10 in the Bishop / Control Area~~
- ~~• 3 in the Inyokern / McGen Area~~
- ~~• 2 at Coolwater Generating Station~~
- ~~• 2 at Kramer Substation~~

- ~~3 at Lugo Substation~~
- ~~4 at a new three node SONET with terminals at Lugo and Kramer substations and repeaters at Victor Substation.~~

~~D. Three new digital channel banks as follows:~~

- ~~2 in the Bishop / Control Area~~
- ~~1 in the Inyokern / McGen Area~~

~~E. Eleven new data routers / switches~~

~~F. Two new microwave antennas as follows~~

- ~~1 at Control Substation~~
- ~~1 at Inyokern substation~~

Power System Controls:

(RTU.1) Additional remote terminal unit at Kramer Substation:

Install a new RTU at Kramer Substation to monitor 76 new virtual status / alarm points in conjunction with 6 physical and 2 control output points to support the special protection system.

(RTU.2) Replacement of existing remote terminal units

Replace remote terminal units at McGen Substation and Bishop Creek Plants 3 and 4.

(RTU.3) System Upgrade

Install additional points to the existing remote terminal units at Control, Lugo and Inyokern Substations, the Coolwater Generating Station and Bishop Creek Plants 2, 5 and 6 to support the special protection system.

Corporate Real Estate

(ANR) Acquire new rights for the construction of the following project elements:

Expansion of 115/33kV Inyokern Substation to 220/115/33kV

Expansion of an 800 ft. section of Lugo Substation 100 feet south

New 252,200 ft Kramer - Lugo No. 3 220 kV Transmission Line

New 5,250 ft loop of the BLM West - Kramer 220kV Transmission Line into Inyokern Substation

New 1,312.5 ft reconfiguration of Inyokern - Kramer - Randsburg 115kV Transmission Line into Randsburg Substation

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

3. Distribution Upgrades: None

4. Estimated Tax Liability: Pursuant to Article 5.17.4 of the LGIA, the Interconnection Customer's estimated tax liability shall be as follows:

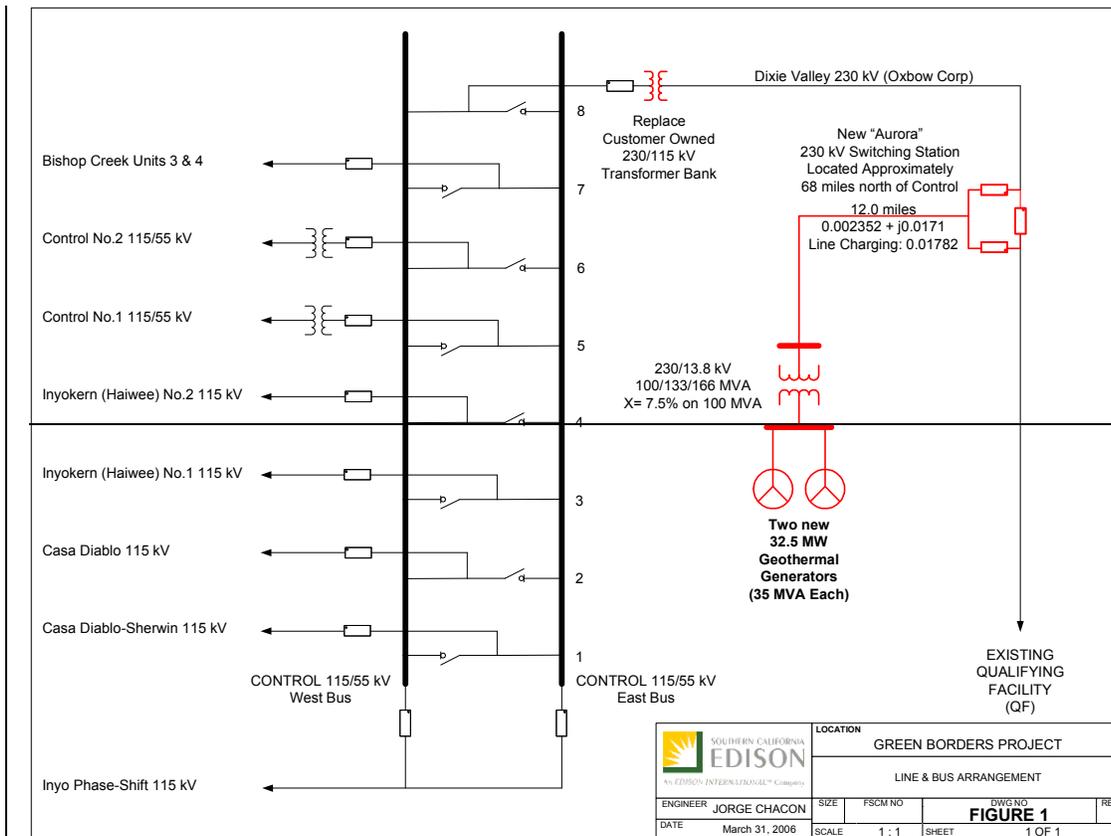
$(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate}) = 35\%$

Estimated Tax Liability = 35% * Interconnection Facilities Cost = 35% * \$20,295,000.00 = \$7,103,250.00

In accordance with Article 5.17.3 of the LGIA, based upon the Estimated Tax Liability, Interconnection Customer shall provide the Participating TO a letter of credit in the amount of \$7,103,250.00~~75,250.00~~.

5. **Point of Change of Ownership :** The point where the Participating TO's Control – Oxbow 115kV Transmission Line terminates on the non-Participating TO owned dead-end rack at the Oxbow Substation. Interconnection Customer shall provide for all maintainance and repair of all insulators on the non-Participating TO owned dead-end rack at the Oxbow Substation. ~~The point where the Dixie Valley—Control 220 kV Transmission Line terminates at the Participating TO's Control Substation Position No.8 dead-end structure.~~
6. **Point of Interconnection:** Participating TO's Control 115kV Substation position 8.

7. **One-Line Diagram of Interconnection to Control 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) **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 or One-Time Cost 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) FERC Final Order: The Final Order issued by the FERC to resolve all outstanding issues between the Parties in Docket No. ER07-1034-000.
- ~~(f)~~(g) Letter Agreement: The interim agreement, executed by the Interconnection Customer and the Participating TO on October 17th, 2006, which provides for the Participating TO to commence certain transmission line routing and environmental studies for the purpose of preparing a Certificate of Public Convenience and Necessity ("CPCN"), designated by the Commission as Service Agreement No. 45 under the Participating TO's FERC Electric Tariff, Second Revised Volume No. 6.
- ~~(g)~~(h) 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)~~(i) 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)~~(j) Interconnection Facilities Cost: All costs determined by 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)~~(k) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 14 of this Appendix A.
- ~~(k)~~(l) Network Upgrades Cost: All 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 Network Upgrades Cost is provided in Section 14 of this Appendix A.
- ~~(l)~~(m) Network Upgrades Payment: The sum of the Network Upgrades Cost and associated One-Time Cost. The Network Upgrades Payment is provided in Section 14 of this Appendix A.
- ~~(m)~~(n) 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 or Capital Additions which are not capitalized.
- ~~(n)~~(o) 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.

~~(e)~~(p) 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)~~(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.

9. 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 Network Upgrades, which equal the Network Upgrades Payment as defined in Section 8 and as shown in Section 14 of this Appendix A.

10. Security Amount: Pursuant to Article 11.5 of the LGIA, the amount available to be drawn under any Credit Support shall be ~~\$36,969,000.00~~ ~~237,657,000.00~~. The disposition of any released Credit Support shall be directed by the Interconnection Customer.

11. Removal of Participating TO's Interconnection Facilities: Following termination of this 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 Participating TO intends to physically remove the Participating TO's Interconnection Facilities or any part thereof, then 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) Interconnection Customer shall pay to Participating TO the following charges in accordance with this LGIA: (i) Interconnection Facilities Payment; (ii) Network Upgrades Payment; (iii) any Capital Additions payment; (iv) Interconnection Facilities Charge; (v) any charges related to maintenance, repair, or replacement of the Control-Aurora fiber Optic Line, microwave sites, and right-of-way; (vi) any reimbursable FERC fees pursuant to Section 13(f) of this Appendix A; (vii) Removal Cost pursuant to Article 2.5 of the LGIA and Section 11 of this Appendix A; and (viii) termination charges pursuant to Article 2.4 of the LGIA.

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

(c) Interconnection Customer shall receive credit toward the Network Upgrades cost for the required transmission line routing and environmental studies which are being performed pursuant to the Letter Agreement.

(d) Upon the Effective Date of this LGIA, the Letter Agreement shall terminate. The Participating TO initially funded all charges and expenses for the work performed under the Letter Agreement.

(e) Interconnection Customer shall pay Participating TO, on a time and materials basis, for required maintenance, repairs, and upgrades to the Control-Aurora Fiber Optic Line, microwave sites, and right-of-way, unless otherwise directed in the FERC Final Order in Docket No. ER07-1034-000, or as otherwise agreed to between SCE and the Interconnection Customer.

13. Supplemental Billing and Payment Provisions:

Issued by: James A. Cuillier
Manager, FERC Rates & Regulation
Issued on:

Effective:

- (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 the Network Upgrades Payment. Such invoices shall not include any costs for the work which was to be performed pursuant to the Letter Agreement except as provided in the next sentence. On or after the earlier of: (1) the Commercial Operation Date of the Large Generating Facility or (2) the date that the Green Border Geothermal Project is withdrawn from the Interconnection queue or (3) the date the Power Purchase Agreement between the Interconnection Customer and the Participating TO is terminated or (4) the Participating TO's determination, in its sole judgment, that the Interconnection Customer is not actively pursuing the development of the Green Border Geothermal Project, the Participating TO shall charge and the Interconnection Customer shall pay the Participating TO's costs for such work. If the Interconnection Customer does not pay the invoice for the work which was to be performed pursuant to the Letter Agreement, within the 30 days of receipt, the Participating TO reserves the right to apply the invoice amount (or any unpaid portion thereof) as an offset in payment of any amounts due to the Interconnection Customer under the Renewable Power Purchase and Sale Agreement between the Interconnection Customer and the Participating TO ("PPA"), in accordance with Article 4.03(c)(ii) of the PPA, as well as any all other rights, remedies and claims.
- (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 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) Pursuant to 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.
- a. 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 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.
 - b. 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.
 - c. 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.
- (d) 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 2.5 of the LGIA. Such billing shall be initially based on the Participating TO's estimate of the Removal Cost. Within 12 months following the removal of the Participating TO's Interconnection Facilities, or any part thereof, the Participating TO shall determine the recorded Removal Cost and provide the Interconnection Customer with a final invoice.

- (e) Commencing on or after the Effective Date, the Participating TO will render bills to Interconnection Customer for any reimbursable FERC fees or costs incurred since the preceding billing.

14. Interconnection Facilities Payment and Network Upgrades Payment Summary:

- (a) Estimated Cost:

<u>Element</u>	<u>Interconnection Facilities Cost</u>	<u>Interconnection Facilities Cost Subject to the Customer Financed Monthly Rate</u>	<u>Network Upgrades Cost</u>	<u>One-Time Cost</u>	<u>Interconnection Facilities Payment and Network Upgrades Payment</u>
<u>Participating TO's Interconnection Facilities</u>					
<u>Control Substation</u>		<u>\$237,000</u>			<u>\$237,000</u>
-					-
<u>Participating TO's Reliability Network Upgrades</u>					
<u>Control Substation</u>			<u>\$1,336,000</u>		<u>\$1,336,000</u>
<u>Inyo Substation</u>			<u>\$4,334,000</u>		<u>\$4,334,000</u>
<u>Inyokern Substation</u>			<u>\$948,000</u>		<u>\$948,000</u>
<u>Kramer Substation</u>			<u>\$1,793,000</u>		<u>\$1,793,000</u>
<u>Lugo Substation</u>			<u>\$1,360,000</u>		<u>\$1,360,000</u>
<u>Various Substations</u>			<u>\$2,173,000</u>		<u>\$2,173,000</u>
<u>Telecommunications*</u>	<u>\$20,058,000</u>		<u>\$4,421,000</u>		<u>\$24,479,000</u>
<u>Power System Controls</u>			<u>\$309,000</u>		<u>\$309,000</u>
<u>Total</u>	<u>\$20,058,000</u>	<u>\$237,000</u>	<u>\$16,674,000</u>		<u>\$36,969,000**</u>

<u>Element</u>	<u>Interconnection Facilities Cost</u>	<u>Network Upgrades Cost</u>	<u>One-Time Cost</u>	<u>Interconnection Facilities Payment and Network Upgrades Payment</u>
<u>Participating TO's</u>				

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Element	Interconnection Facilities Cost	Network Upgrades Cost	One-Time Cost	Interconnection Facilities Payment and Network Upgrades Payment
Interconnection Facilities				
(1CS) Control Substation — Upgrade 115kV position 8	\$144,000	\$217,000	-	\$361,000
(4CS) Control Substation — Upgrade 115kV buses	-	\$187,000	-	\$187,000
(5CS) Control Substation — Upgrade protection at Inyo 115kV Transmission Line		\$166,000		\$166,000
(1IS) Inyo Substation— Replace 115kV phase shifter		\$3,395,000		\$3,395,000
(2IS) Inyo Substation— Upgrade protection at Control 115kV Transmission Line		\$166,000		\$166,000
(3IKS) Inyokern Substation— New 220/115/33 kV related expansion		\$49,892,000		\$49,892,000
(1KS) Kramer Substation — Protection upgrades		\$250,000		\$250,000
(2KS) Kramer Substation — New Lugo No. 3 220kV Transmission Line		\$1,917,000		\$1,917,000
(1LS) Lugo Substation— New Kramer No. 3 220kV Transmission Line		\$2,154,000		\$2,154,000
(2LS) Lugo Substation— New 500/220kV transformer bank		\$47,880,000		\$47,880,000
(BCP2) Bishop Creek Plant 2— Special protection system relays		\$214,000		\$214,000
(BCP3) Bishop Creek Plant 3— Special protection system relays		\$214,000		\$214,000
(BCP4) Bishop Creek Plant 4— Special protection system relays		\$214,000		\$214,000
(BCP5) Bishop Creek Plant 5— Special protection system relays		\$214,000		\$214,000
(BCP6) Bishop Creek Plant 6— Special protection system relays		\$214,000		\$214,000

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Element	Interconnection Facilities Cost	Network Upgrades Cost	One-Time Cost	Interconnection Facilities Payment and Network Upgrades Payment
(6CS) Control Substation—Special protection system relays		\$214,000		\$214,000
(1CWGS) Coolwater Generation station—Special protection system relays		\$214,000		\$214,000
(2IKS) Inyokern Substation—Special protection system relays		\$371,000		\$371,000
(3KS) Kramer Substation—Special protection system relays		\$521,000		\$521,000
(3LS) Lugo Substation—Special protection system relays		\$371,000		\$371,000
(2MGGS) McGen Substation—Special protection system relays		\$123,000		\$123,000
((1VS) Victor Substation—Special protection system relays		\$107,000		\$107,000
(4LS) Lugo Substation—Replace 3 and upgrade 2 220kV circuit breakers		\$2,221,000		\$2,221,000
(1IKS) Inyokern Substation—Replace 2 115kV circuit breakers		\$750,000		\$750,000
(BLMKTL) BLM—Kramer 220kV Transmission Line—Loop line into Inyokern Substation		\$4,300,000		\$4,300,000
(KL3TL) Kramer—Lugo No. 3 220kV Transmission Line—Construct		\$86,000,000		\$86,000,000
(IKKRTL) Inyokern—Kramer—Randsburg 115kV Transmission Line—Line reconfiguration into Randsburg Substation		\$793,000		\$793,000
(7CS) New telecommunication circuits for line protection—Control—Inyo 115kV Transmission Line		\$86,000		\$86,000
(3KS) New		\$2,400,000		\$2,400,000

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Element	Interconnection Facilities Cost	Network Upgrades Cost	One-Time Cost	Interconnection Facilities Payment and Network Upgrades Payment
Telecommunication circuits for line protection — BLM West — Inyokern 220kV Transmission Line (SPS) New circuits for Special protection system and remote terminal units		\$12,215,000		\$12,215,000
(1LGF) Generating Facility — new remote terminal units	\$53,000			\$53,000
(RTU) Existing remote terminal units — Replacements and upgrades		\$298,000		\$298,000
(2CS) Control Substation — 115kV revenue metering units	\$18,000			\$18,000
(ANR) Inyokern Substation — real estate cost related to substation expansion		\$5,400,000		\$5,400,000
(ANR) Lugo Substation — (ANR) real estate cost related to substation expansion		\$75,000		\$75,000
(ANR) BLM West — Kramer 220kV Transmission Line loop into Inyokern Substation		\$13,600,000		\$13,600,000
(ANR) Inyokern — Kramer — Randsburg 115kV Line reconfiguration into Randsburg Substation real estate cost		\$89,000		\$89,000
Total	\$215,000	\$237,442,000 ⁽²⁾	\$0	\$237,657,000

***Estimated costs associated with Telecommunications facilities will be revised and updated in accordance with the FERC Final Order in Docket No. ER07-1034-000.**

****Estimated costs associated with the project may be revised as agreed to between SCE and the Interconnection Customer in the event right-of-way and support structure costs for fiber optic cables are eliminated as in accordance with any agreement with the owners of the Oxbow-dixie Valley transmission line.**

(b) Actual Cost:*

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<u>Payment</u>	<u>Interconnection Facilities Cost</u>	<u>Reliability Upgrades Cost</u>	<u>ITCC</u>	<u>Project Payment</u>	<u>Payment Due Date</u>
<u>1</u>	<u>\$2,000</u>	<u>\$202,000</u>	<u>\$0</u>	<u>\$204,000</u>	<u>30 calendar days after FERC Final Order</u>
<u>2</u>	<u>\$2,000</u>	<u>\$202,000</u>	<u>\$0</u>	<u>\$204,000</u>	<u>60 calendar days after FERC Final Order</u>
<u>3</u>	<u>\$2,000</u>	<u>\$200,000</u>	<u>\$0</u>	<u>\$202,000</u>	<u>90 calendar days after FERC Final Order</u>
<u>4</u>	<u>\$198,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$198,000</u>	<u>120 calendar days after FERC Final Order</u>
<u>5</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>150 calendar days after FERC Final Order</u>
<u>6</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>180 calendar days after FERC Final Order</u>
<u>7</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>210 calendar days after FERC Final Order</u>
<u>8</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>240 calendar days after FERC Final Order</u>
<u>9</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>270 calendar days after FERC Final Order</u>
<u>10</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>300 calendar days after FERC Final Order</u>
<u>11</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>330 calendar days after FERC Final Order</u>
<u>12</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>360 calendar days after FERC Final Order</u>
<u>13</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>390 calendar days after FERC Final Order</u>
<u>14</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>420 calendar days after FERC Final Order</u>
<u>15</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>450 calendar days after FERC Final Order</u>
<u>16</u>	<u>\$715,528</u>	<u>\$0</u>	<u>\$0</u>	<u>\$715,528</u>	<u>480 calendar days after FERC Final Order</u>
<u>17</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>510 calendar days after FERC Final Order</u>
<u>18</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>540 calendar days after FERC Final Order</u>
<u>19</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>570 calendar days after FERC Final Order</u>
<u>20</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>600 calendar days after FERC Final Order</u>
<u>21</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>630 calendar days after FERC Final Order</u>
<u>22</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>660 calendar days after FERC Final Order</u>
<u>23</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>690 calendar days after FERC Final Order</u>
<u>24</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>720 calendar days after FERC Final Order</u>
<u>25</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>750 calendar days after FERC Final Order</u>
<u>26</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>780 calendar days after</u>

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<u>27</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>810 calendar days after</u>
<u>28</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>840 calendar days after</u>
<u>29</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>870 calendar days after</u>
<u>30</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>900 calendar days after</u>
<u>31</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>930 calendar days after</u>
<u>32</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>960 calendar days after</u>
<u>33</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>990 calendar days after</u>
<u>34</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>1020 calendar days after</u>
<u>35</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>1050 calendar days after</u>
<u>36</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>1080 calendar days after</u>
<u>37</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>1110 calendar days after</u>
<u>38</u>	<u>\$27,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,778</u>	<u>FERC Final Order</u> <u>1140 calendar days after</u>
<u>39</u>	<u>\$3,144,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,144,778</u>	<u>FERC Final Order</u> <u>1170 calendar days after</u>
<u>40</u>	<u>\$2,562,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,562,778</u>	<u>FERC Final Order</u> <u>1200 calendar days after</u>
<u>41</u>	<u>\$2,517,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,517,000</u>	<u>FERC Final Order</u> <u>1230 calendar days after</u>
<u>42</u>	<u>\$1,363,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,363,000</u>	<u>FERC Final Order</u> <u>1260 calendar days after</u>
<u>43</u>	<u>\$13,000</u>	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,363,000</u>	<u>FERC Final Order</u> <u>1290 calendar days after</u>
<u>44</u>	<u>\$8,000</u>	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,358,000</u>	<u>FERC Final Order</u> <u>1320 calendar days after</u>
<u>45</u>	<u>\$98,125</u>	<u>\$2,299,000</u>	<u>\$0</u>	<u>\$2,397,125</u>	<u>FERC Final Order</u> <u>1350 calendar days after</u>
<u>46</u>	<u>\$86,125</u>	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,436,125</u>	<u>FERC Final Order</u> <u>1380 calendar days after</u>
<u>47</u>	<u>\$86,125</u>	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,436,125</u>	<u>FERC Final Order</u> <u>1410 calendar days after</u>
<u>48</u>	<u>\$81,125</u>	<u>\$1,350,000</u>	<u>\$0</u>	<u>\$1,431,125</u>	<u>FERC Final Order</u> <u>1440 calendar days after</u>
<u>49</u>	<u>\$81,125</u>	<u>\$1,215,000</u>	<u>\$0</u>	<u>\$1,296,125</u>	<u>FERC Final Order</u> <u>1470 calendar days after</u>
<u>50</u>	<u>\$81,125</u>	<u>\$1,062,000</u>	<u>\$0</u>	<u>\$1,143,125</u>	<u>FERC Final Order</u> <u>1500 calendar days after</u>
<u>51</u>	<u>\$78,125</u>	<u>\$1,062,000</u>	<u>\$0</u>	<u>\$1,140,125</u>	<u>FERC Final Order</u> <u>1530 calendar days after</u>
<u>52</u>	<u>\$78,125</u>	<u>\$773,000</u>	<u>\$0</u>	<u>\$851,125</u>	<u>FERC Final Order</u> <u>1560 calendar days after</u>
<u>53</u>	<u>\$78,125</u>	<u>\$773,000</u>	<u>\$0</u>	<u>\$851,125</u>	<u>FERC Final Order</u> <u>1590 calendar days after</u>

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54	\$78,125	\$485,000	\$0	\$563,125	FERC Final Order 1620 calendar days after FERC Final Order
55	\$78,125	\$485,000	\$0	\$563,125	1650 calendar days after FERC Final Order
56	\$78,125	\$427,000	\$0	\$505,125	1680 calendar days after FERC Final Order
57	\$78,125	\$427,000	\$0	\$505,125	1710 calendar days after FERC Final Order
58	\$78,125	\$312,000	\$0	\$390,125	1740 calendar days after FERC Final Order
59	\$73,125	\$0	\$0	\$73,125	1770 calendar days after FERC Final Order
60	\$73,125	\$0	\$0	\$73,125	1800 calendar days after FERC Final Order
Total	\$20,295,000	\$16,674,000	\$0	\$36,969,000**	-

Month	Interconnection Facilities Cost	Interconnection Facilities One- Time Cost	Network Upgrades Cost	Network Upgrades One- Time Cost	Total Payment
1 ⁽³⁾	\$0	\$0	\$225,000	\$0	\$225,000
2	\$0	\$0	\$429,000	\$0	\$429,000
3	\$0	\$0	\$611,000	\$0	\$611,000
4	\$0	\$0	\$823,000	\$0	\$823,000
5	\$0	\$0	\$1,027,000	\$0	\$1,027,000
6	\$0	\$0	\$1,219,000	\$0	\$1,219,000
7	\$0	\$0	\$1,397,000	\$0	\$1,397,000
8	\$0	\$0	\$1,535,000	\$0	\$1,535,000
9	\$0	\$0	\$1,684,000	\$0	\$1,684,000
10	\$0	\$0	\$1,815,000	\$0	\$1,815,000
11	\$0	\$0	\$1,925,000	\$0	\$1,925,000
12	\$0	\$0	\$2,015,000	\$0	\$2,015,000
13	\$1,000	\$0	\$2,073,000	\$0	\$2,074,000
14	\$1,000	\$0	\$2,122,000	\$0	\$2,123,000
15	\$2,000	\$0	\$2,147,000	\$0	\$2,149,000
16	\$2,000	\$0	\$2,149,000	\$0	\$2,151,000
17	\$2,000	\$0	\$2,128,000	\$0	\$2,130,000
18	\$3,000	\$0	\$2,083,000	\$0	\$2,086,000
19	\$3,000	\$0	\$2,028,000	\$0	\$2,031,000
20	\$3,000	\$0	\$1,942,000	\$0	\$1,945,000
21	\$3,000	\$0	\$1,834,000	\$0	\$1,837,000
22	\$3,000	\$0	\$1,707,000	\$0	\$1,710,000
23	\$3,000	\$0	\$1,561,000	\$0	\$1,564,000
24	\$3,000	\$0	\$1,426,000	\$0	\$1,429,000
25	\$3,000	\$0	\$1,249,000	\$0	\$1,252,000
26	\$3,000	\$0	\$1,059,000	\$0	\$1,062,000
27	\$4,000	\$0	\$7,758,000	\$0	\$7,762,000
28	\$5,000	\$0	\$7,547,000	\$0	\$7,552,000
29	\$5,000	\$0	\$9,666,000	\$0	\$9,671,000
30	\$6,000	\$0	\$9,462,000	\$0	\$9,468,000

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31	\$7,000	\$0	\$9,200,000	\$0	\$9,207,000
32	\$7,000	\$0	\$9,200,000	\$0	\$9,207,000
33	\$8,000	\$0	\$9,200,000	\$0	\$9,208,000
34	\$8,000	\$0	\$9,200,000	\$0	\$9,208,000
35	\$8,000	\$0	\$6,900,000	\$0	\$6,908,000
36	\$8,000	\$0	\$6,900,000	\$0	\$6,908,000
37	\$7,000	\$0	\$5,750,000	\$0	\$5,757,000
38	\$7,000	\$0	\$5,750,000	\$0	\$5,757,000
39	\$6,000	\$0	\$5,750,000	\$0	\$5,756,000
40	\$5,000	\$0	\$5,750,000	\$0	\$5,755,000
41	\$3,000	\$0	\$575,000	\$0	\$578,000
42	\$3,000	\$0	\$1,810,000	\$0	\$1,813,000
43	\$2,000	\$0	\$2,057,000	\$0	\$2,059,000
44	\$3,000	\$0	\$3,052,000	\$0	\$3,055,000
45	\$4,000	\$0	\$3,972,000	\$0	\$3,976,000
46	\$4,000	\$0	\$4,794,000	\$0	\$4,798,000
47	\$5,000	\$0	\$5,499,000	\$0	\$5,504,000
48	\$5,000	\$0	\$6,067,000	\$0	\$6,072,000
49	\$6,000	\$0	\$6,657,000	\$0	\$6,663,000
50	\$6,000	\$0	\$6,917,000	\$0	\$6,923,000
51	\$6,000	\$0	\$7,010,000	\$0	\$7,016,000
52	\$6,000	\$0	\$6,935,000	\$0	\$6,941,000
53	\$6,000	\$0	\$6,694,000	\$0	\$6,700,000
54	\$5,000	\$0	\$6,122,000	\$0	\$6,127,000
55	\$6,000	\$0	\$5,569,000	\$0	\$5,575,000
56	\$5,000	\$0	\$4,879,000	\$0	\$4,884,000
57	\$5,000	\$0	\$4,069,000	\$0	\$4,074,000
58	\$4,000	\$0	\$3,159,000	\$0	\$3,163,000
59	\$3,000	\$0	\$2,170,000	\$0	\$2,173,000
60	\$2,000	\$0	\$1,189,000	\$0	\$1,191,000
Total	\$215,000	\$0	\$237,442,000	\$0	\$237,657,000

** Cost associated with the project may be revised as agreed to between SCE and the Interconnection Customer in the event right-of-way and support structure costs for fiber optic cables are eliminated as in accordance with any agreement with the owners of the oxbow-dixie valley transmission line.

17. Other Potential Facilities Cost:

Interconnection Customer understands and acknowledges that the Interconnection of the Green Borders Geothermal Project is dependent upon certain Network Upgrades and Distribution Upgrades which are currently the cost responsibility of projects ahead of the Green Borders Geothermal Project in the California ISO's Controlled Grid Generation ~~Interconnection Application Queue~~. In the event (i) a project in the queue ahead of the Green Borders Geothermal Project is withdrawn from the queue, or (ii) it is determined by the Participating TO or the ISO that some or all of the Network Upgrades and Distribution Upgrades currently assigned to earlier-queued projects are no longer required by such projects, Interconnection Customer may be responsible for an amount up to the maximum cost exposure of the Network Upgrades and Distribution Upgrades identified in this Appendix A, Section 17, as determined by a re-study. Furthermore, Interconnection Customer may also be responsible for the cost of any additional facilities or modifications to Participating TO's electric system required to interconnect the Green Borders Geothermal Project, as a result of the termination or amendment of another project's interconnection agreement. 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 this LGIA. Such amendment shall be subject to FERC acceptance or

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Manager, FERC Rates & Regulation
Issued on:

Effective:

approval.

While Interconnection Customer is currently responsible for the Network Upgrades and Distribution Upgrades identified in Section 2 of this Attachment A to the LGIA, Interconnection Customer may be responsible for all or a portion of the following other Network Upgrades and Distribution Upgrades, under the conditions described above:

1. Victor Substation: Replace one 20kA 115kV circuit breaker, number 32 in position 2 of the 115kV bus on the Kramer – Roadway 115kV Transmission Line.

2. Victor Substation: Replace one 20kA 115kV circuit breaker, number 39 in position 9 of the 15kV bus on the Aqueduct – Hesperia 115kV Distribution Line.

1. Etiwanda Generating Station: Replace three 45.6kA 220kV circuit breakers with new 63kA circuit breakers and upgrade twenty 50kA 220kV circuit breakers to 63kA Rating

2. Mesa Substation: Upgrade six 50kA 220kV circuit breakers to 63kA Rating

3. Mira Loma Substation: Replace twelve 63kA 220kV circuit breakers with new 80kA circuit breakers

4. Rio Hondo Substation: Replace one 40kA 220kV circuit breakers with new 50kA circuit breakers and upgrade three 34kA 220kV circuit breakers to 45.6kA Rating

5. Vincent Substation: Upgrade one 50kA 220kV circuit breakers to 63kA Rating

Other Potential Facilities Maximum Cost Exposure for the Other Potential Facilities:

<u>Element</u>	<u>Distribution Upgrades Cost</u>	<u>ITCC</u>	<u>Network Upgrades Cost</u>	<u>One-Time Cost</u>	<u>Total</u>
<u>Other Network Upgrades</u>					
1. Replace circuit breaker XXX		\$0	\$315,000	\$0	\$315,000
<u>Other Distribution Upgrades</u>					
2. Replace circuit breaker XXX	\$315,000	\$110,000		\$0	\$415,000
Maximum Cost Exposure for the Other Potential Facilities::					
Maximum Cost Exposure (Other Potential Facilities Cost plus Interconnection Facilities Cost, Network Upgrades Cost, and ITCC Total			\$ 37,699,000.00		

<u>Element</u>	<u>Other Potential</u>
----------------	------------------------

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	Facilities Cost
Other Network Upgrades	
1. Etiwanda Generating Station— Replace 3 and upgrade 20 220 kV CBs	\$3,821,000
2. Mesa Substation— Upgrade 6 220kV CBs	\$1,280,000
3. Mira Loma Substation— Replace 12 220kV CBs	\$8,364,000
4. Rio Hondo Substation— Replace 1 and upgrade 3 220kV CBs	\$1,167,000
5. Vincent Substation — Upgrade 1 220kV CB	\$320,000
Subtotal	\$14,952,000
Maximum Cost Exposure (Other Potential Facilities Cost plus Interconnection Facilities Payment and Network Upgrades Payment Total)	\$252,609,000

Notes:

- (1) The amount of ~~\$20,295,000.00~~ 215,000 is the estimated Interconnection Facilities Payment
- (2) The amount of ~~\$16,674,000.00~~ 237,442,000 is the estimated Network Upgrades Payment
- (3) Based upon the Participating TO's estimated construction schedule and the Interconnection Customer's proposed in-service date, the first payment will be due on June 30, 2008 ~~March 1, 2007~~
- (4) Estimate does not include condemnation cost

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:

Item	Milestone	Responsible Party	Due Date
(a)	Submittal of w Written a Authorization to p Proceed with d Design and p Procurement to Participating TO and ISO p Pursuant to Article 5.5.2 of the LGIA	Interconnection Customer	Within 30 Calendar Days of the date the Settlement becomes effective <u>Effective Date</u>
(b)	Submittal of Security to Participating TO p Pursuant to Articles 5.5.3 and 11.5 of the LGIA	Interconnection Customer	Within 30 Calendar Days of the date the Settlement becomes effective <u>Effective Date</u>
(c)	<u>Submittal of executed applicable agreements and permits with the owners of the Oxbow-Dixie Valley 230kV Transmission Line, and the Aurora Peak, Poleta Canyon, and South Benton Range communications sites</u>	<u>Interconnection Customer</u>	<u>Within 30 Calendar Days of the date the Settlement becomes effective</u>
(d) (e)	Submittal of w Written a Authorization to p Proceed with c Construction to Participating TO and ISO p Pursuant to Article 5.6.3 of the LGIA	Interconnection Customer	Within 30 Calendar Days of the date the Settlement becomes effective <u>Effective Date</u>
(e) (d)	Submittal of Security to Participating TO p Pursuant to Articles 5.6.4 and 11.5 of the LGIA	Interconnection Customer	Within 30 Calendar Days of the date the Settlement becomes effective <u>Effective Date</u>
(f) (e)	Filing of Proponents Environmental Assessment with the California Energy Commission and other required documents in Nevada	Interconnection Customer	Within 9 months following the date the Settlement becomes effective <u>Effective Date</u>
(g) (f)	File for CPCN*	Participating TO	Within 4 5 months following the <u>completion of items</u> Effective Date , pending completion of item 2(e) and 2(f) above
(h)	<u>File for all permits related to the Oxbow-Aurora Fiber Optic Line</u>	<u>Participating TO</u>	<u>Within 6 months following the completion of item 2f above</u>
(i)	Completion of Participating TO's Interconnection Facilities and Network Upgrades	Participating TO	<u>06/01/13, which is 60</u> Within 60 months after the date the Settlement becomes effective <u>Effective Date</u> , pending the award of the CPCN, and the completion of Items 2(a) through 2(h) <u>e</u> above

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(j)	Submittal of i Initial s Specifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, i ncluding s System p rotection f acilities, to the Participating TO and the ISO as s pecified in Article 5.10.1 of the LGIA	Interconnection Customer	At least 180 Calendar Days prior to the Initial Synchronization Date
(k)	Initial information submission which shall include the Participating TO's t ransmission s ystem information necessary to allow the Interconnection C ustomer to select equipment, in a ccordance with Article 24.2 of the LGIA	Participating TO	No later than 180 C alendar D ays prior to the Trial Operation
(l)	Updated information submission by the Interconnection Customer, including manufacturer information in a ccordance with Article 24.3 of the LGIA	Interconnection Customer	No later than 180 C alendar D ays prior to the Trial Operation
(m)	Review of and comment on Interconnection Customer's i ntial s pecifications as s pecified in Article 5.10.1 of the LGIA	Participating TO and ISO	Within 30 Calendar Days of the Interconnection Customer's s ubmission of Initial Specifications
(n)	Submittal of f inal s pecifications for the Interconnection Customer's Interconnection Facilities and Large Generating Facility, Including s ystem p rotection f acilities, to the Participating TO and the ISO as s pecified in Article 5.10.1 of the LGIA	Interconnection Customer	At least 90 Calendar Days prior to the Initial Synchronization Date.
(o)	Review of and comment on Interconnection Customer's f inal s pecifications as s pecified in Article 5.10.1 of the LGIA	Participating TO and ISO	Within 30 Calendar Days of the Interconnection Customer's s ubmission of f inal s pecifications
(p)	Notification of Control Area to Participating TO and ISO p ursuant to Article 9.2	Interconnection Customer	At least 3 months prior to the Initial Synchronization Date
(q)	Performance of a c omplete Calibration Test and Functional Trip Test of the s ystem p rotection f acilities p ursuant to Article 9.7.4.6 of the LGIA	Interconnection Customer and Participating TO	Within 60 Calendar Days prior to the In-Service Date
(r)	In-Service Date of project	Interconnection Customer	06/01/1302/04/12
(s)	Initial Synchronization Date	Interconnection Customer	06/08/1302/04/12
(t)	Trial Operation	Interconnection Customer	06/15/1302/04/12
(u)	Performance of a c omplete 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	Within 60 Calendar Days prior to the Commercial Operation Date
(v)	Testing of Participating TO's Interconnection Facilities, and Network Upgrades, and testing of the	Interconnection Customer and Participating TO	Within 60 Calendar Days prior to the Commercial Operation Date

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	Interconnection Customer's Large Generating Facility and Interconnection Facilities in accordance with Article 6.1 of the LGIA		
(w)	Provide written approval to Interconnection Customer for the operation of the Large Generating Facility in accordance with Article 6.1 of the LGIA	Participating TO	Within 15 Calendar Days prior to the Commercial Operation Date
(x)	Proposed Commercial Operation Date	Interconnection Customer	<u>06/22/1302/01/12</u>
(z)	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 ISO	Interconnection Customer	Within 120 Calendar Days after the Commercial Operation Date, unless otherwise agreed

*** A CPCN will not be required if no new right of way and no new supporting poles for fiber optic cables are required for this project and an advice letter reflecting such will be provided in lieu of filing a CPCN.**

Appendix C**To LGIA****Interconnection Details**

1. **Generating Facility:** The Interconnection Customer's 62,000 kW Large Generating Facility located 17 miles south-west of Hawthorne, Nevada in Mineral County, Nevada (the "Green Borders Geothermal Project"). The Green Borders Geothermal Project is comprised of all the project's equipment and facilities, including but not limited to two Brush Electrical Machine, Ltd. 13.8kV synchronous generators, a Brush Electrical Machine, Ltd. BX10.13 rotating DC commutator exciter with continuously acting regulator, with regulator power being bus fed from the generator terminal voltage, and a steam turbine.
2. **Interconnection Customer Operational Requirements.** Pursuant to Article 9.4 of the LGIA, the Interconnection Customer shall operate the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the ISO Tariff, the WECC Reliability Management System Agreement, NERC Reliability Standards and NERC requirements.
3. **Interconnection Principles:**
 - (a) The maximum capacity of the Participating TO's Interconnection Facilities made available by the Participating TO to the Interconnection Customer for the purpose of the interconnection of the Green Borders Geothermal Project to the ISO Controlled Grid under this LGIA shall be 62,000 kW. 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 ISO Tariff.
 - (b) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Green Borders Geothermal 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 Green Borders Geothermal 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 Green Borders Geothermal Project or the Interconnection Customer's Interconnection Facilities.
 - (e) Obtaining applicable permits and appropriate agreements with the Federal Aviation

Administration and other permitting agencies for the installation and operation of the communication facilities considered in this LGIA will be the responsibility of the Interconnection Customer. The Participating TO shall support the discussions with the Federal Aviation Administration and other permitting agencies and make a good faith effort to help the Interconnection Customer obtain such permits and agreements.

(f) Interconnection Customer shall maintain an easement with the Participating TO that shall provide unrestricted access to the Control-Aurora Fiber Optic Line at the Aurora Switchyard

(g) Obtaining applicable permits and appropriate agreements with the owner of the Aurora Peak, Poleta Canyon, and South Benton Range communications sites for final engineering and installation of the required communication facilities at these sites, DC power supplies, and unrestricted access to the facilities for construction and maintenance personnel. will be the responsibility of the Interconnection Customer. The Participating TO shall support the negotiations with the owner of the Aurora Peak, Poleta Canyon, and South Benton Range communications sites and make a good faith effort to help the Interconnection Customer obtain such permits and agreements.

(h) If the existing microwave towers at the Aurora Peak, Poleta Canyon, and South Benton Range communications sites require upgrades to accommodate the facilities considered in this LGIA, the cost of such upgrades will be the responsibility of the Interconnection Customer.

(i) The Participating TO will have exclusive rights to the fiber optic cable and microwave facilities and have sole decision making authority on the use of the fiber optic cable and microwave facilities by other parties.

(e)The replacement of the existing line protection relays at the BLM West Substation with new GE L90 and SEL—311L current differential relays, required for the proposed modifications to the BLM West—Kramer 220kV Transmission Line, will be specified by the Participating TO but the work will not be performed by the Participating TO. It is the Interconnection Customer's responsibility to ensure the work is completed appropriately.

4. Interconnection Operations:

(a) The Interconnection Customer shall cause the Green Borders Geothermal Project to participate in any Special Protection Systems (SPS) required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and ISO Tariff provisions and protocols. The Interconnection Customer will not be entitled to any compensation from the Participating TO, pursuant to this LGIA, for loss of generation output when (i) the Green Borders Geothermal 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) Following outages of the Interconnection Facilities or the Green Borders Geothermal Project, the Interconnection Customer shall not energize the Green Borders Geothermal Project for any reason without specific permission from the Participating TO's and ISO's operations personnel. Such permission shall not be unreasonably withheld.

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Service Agreement No. 49

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**Appendix D
To LGIA****Security Arrangements Details**

Infrastructure security of ISO Controlled Grid equipment and operations and control hardware and software is essential to ensure day-to-day ISO Controlled Grid reliability and operational security. FERC will expect the ISO, all Participating TOs, market participants, and Interconnection Customers interconnected to the ISO Controlled Grid to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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

**Appendix E
To LGIA**

Commercial Operation Date

[Date]

Mr. Stephen Ruddy
Manager of Grid Assets
California Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630

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

Mr. William Law
Manager, Grid Contracts Administration and Billing
~~Mr. Gilbert H. L. Tam~~
~~Director of Grid Contracts~~
Southern California Edison Company
P. O. Box 800
2244 Walnut Grove Ave.
Rosemead, California 91770

Re: Green Borders Geothermal, LLC Green Borders Geothermal Project

Dear Msrs. Ruddy, ~~and Kott~~ and ~~Tam~~ Law:

On **[Date]** Green Borders Geothermal, LLC has completed Trial Operation of Unit No. _____. This letter confirms that Green Borders Geothermal, LLC 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: Judy Brown~~Nickel~~

**Appendix F
To LGIA**

Addresses for Delivery of Notices and Billings

Notices:

ISO:

California ISO
Ms. Linda Wright
151 Blue Ravine Rd.
Folsom, CA 95630

Participating TO:

Southern California Edison Company
Manager, Grid Contracts Administration and Billing
~~Director of Grid Contracts~~
P. O. Box 800
2244 Walnut Grove Ave.
Rosemead, California 91770

Interconnection Customer:

CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

With a copy to:

Operational Matters, Force Majeure, and Outage Notices:

CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

For Emergencies:

CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

Billings and Payments:

Participating TO:

Southern California Edison Company
Accounts Receivable
P. O. Box 600
Rosemead, California 91770-0600

Interconnection Customer:

CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

ISO:

California ISO
Finance Dept.
Ms. Melodie Iverson
151 Blue Ravine Rd.
Folsom, CA 95630

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

ISO:

lwright@caiso.com
jbrown@caiso.com
jnickel@caiso.com
dpeters@caiso.com

Participating TO:

Southern California Edison Company
Director of Grid Contracts
Tel: (626) 302-1771
Fax: (626) 302-1152

Interconnection Customer:

CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

**Appendix G
To LGIA**

Reliability Management System Agreement

**RELIABILITY MANAGEMENT SYSTEM AGREEMENT
by and between
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
and
GREEN BORDERS GEOTHERMAL, LLC**

THIS RELIABILITY MANAGEMENT SYSTEM AGREEMENT (the "Agreement"), is entered into this ____ day of _____, 2008~~7~~, by and between the California Independent System Operator Corporation (the "Transmission Operator") and Green Borders Geothermal, 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.

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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
Sr. Contracts Analyst
California Independent System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7027
Fax: (916) 608-7292

Generator: Steve Munson
CEO
Green Borders Geothermal, LLC
1183 NW Wall Street
Suite G
Bend, OR 97701
Phone: (541) 317-1984
Facsimile: (541) 317-2879
Email: smunson@vulcanpower.com

Issued by: James A. Cuillier
Manager, FERC Rates & Regulation
Issued on:

Effective:

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: _____

GREEN BORDERS GEOTHERMAL, LLC

By: _____

Name: _____

Title: _____

Date: _____

**Appendix H
To LGIA****INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT
(Not applicable to Green Borders Geothermal 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:

Issued by: James A. Cuillier
Manager, FERC Rates & Regulation
Issued on:

Effective:

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 ISO Controlled Grid. A wind generating plant shall remain interconnected during such a fault on the ISO 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 ISO 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.

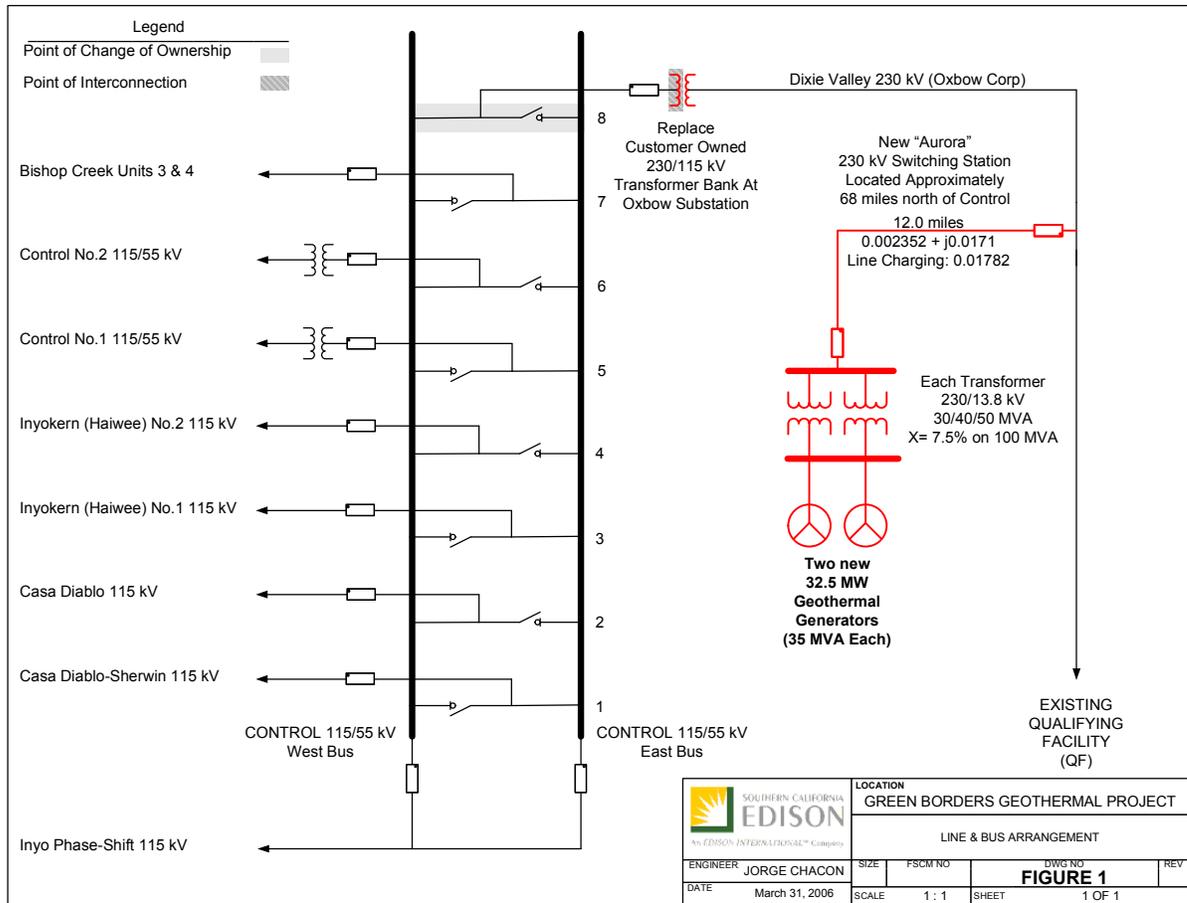
ii. Power Factor Design Criteria (Reactive Power)

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 ISO. 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 ISO to protect system reliability. The Participating TO and ISO 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.

GREEN BORDERS INTERCONNECTION ONE-LINE DIAGRAM



Document Content(s)

Joint Stipulation of Documents and Facts.PDF.....1-8

Exh JST-1 - Interconnection Request.PDF.....9-22

Exh JST-5 - Technical Assessment Study Agrmnt.PDF.....23-39

Exh JST-8 - Green Borders first revised LGIA redline.PDF.....40-145

Exh JST-9 One Line Diagram.PDF.....146-146